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Victories by Moro's Party Called Brigades Backlash

ROME, May 15 (UPI)—The ruling Christian Democratic Party won major gains in local elections today in a ballot viewed as condemnation of the Red Brigades, the killers of former Premier Aldo Moro.

Early returns showed the Christian Democrats winning up to 6 percent more of the vote for city hall posts and regional government seats than in 1972.

The powerful Communist Party also gained in the two-day elections, raising its share of the vote by two percentage points.

A projection by the Doxa Insti-

tute of Public Opinion based on early returns said that the Christian Democrats won 42.8 percent of the vote, compared with 36.6 percent in 1972.

Doxa gave the Communists 27 percent compared with 25.3 percent in 1972. The Socialists were given 13.4 percent, one-tenth of 1 percent more than in 1972. Losers included the neo-Fascists, the Social Democrats and the Liberals.

The vote was seen as the first test of public reaction to the hardline stance, adopted by both the ruling party and the Communists, in refusing to negotiate with the Red Brigade terrorists who killed Mr.

Moro, whose body was found last Tuesday.

Another Shooting

As the votes were being tabulated, the Red Brigades claimed another victim, severely wounding the labor relations chief of an industrial firm in Bologna. Police said that three men and a woman shot Antonio Mazzotti, 48, of the Menarini truck-building firm in the chest and legs as he arrived at his office. Doctors said that he was in critical condition.

Shortly after the attack, a telephone caller told the Italian news agency office at Bologna: "This is the Red Brigades. Dr. Mazzotti of Menarini, the servant of the state, has been killed."

Police said that the gunmen escaped in a car abandoned it near the shooting and continued fleeing on two motorcycles.

The Mazzotti shooting occurred in the aftermath of the Red Brigades claim that it was they who shot a Milan official of Mr. Moro's ruling Christian Democratic Party in the legs Friday, and leftist terrorists wounded an official of the giant Montedison chemical company in Milan on Wednesday and an Italian official of the U.S. Chemical Bank in Milan on Tuesday.

Rome Office Bombed

A few hours before the polls reopened this morning, Rome police said that leftist terrorists hurled a bomb into the offices of a security-guard company in central Rome, causing light property damage but no injuries.

Although authorities reported no terrorist attempts to obstruct the voting, as had been feared, officials in Moschiano said that thieves had stolen the ballots. New ballots were printed hastily and the voting went as scheduled.

Authorities said that between 77.5 percent and 81.6 percent of those eligible voted in the provincial council races yesterday, slightly fewer than on the first day of the last provincial election. Between 65.1 percent and 85.6 percent of those eligible voted in the larger municipal races, they said.

More Than 40 Killed

More than 40 persons have been killed and at least 100 injured in clashes between security forces and demonstrators in 25 cities since January. The disturbances have caused millions of dollars of damage.

The unrest began with religious protests, but the dissidents have broadened their grievances speaking against housing shortages and a recent increase in gasoline prices.

Parts of the capital were closed after demonstrators warned Tehran's million motorists that their cars would be burned if found on the streets of the capital.

But the government, which has threatened a crackdown on any strikers, moved in tanks today while armored personnel carriers patrolled streets and sharpshooters took positions atop the vehicles.

Armed Units Hidden

Armed units were hidden in Tehran's government buildings and similar precautions were believed taken in Qom, Tabriz, Mashad and smaller towns in southern Iran.

Last week, Shah Mohammed Reza Pahlavi took command of the troops who entered Tehran's Grand Bazaar and clashed with rioting Moslems.

European and U.S. firms said that they feared that the opposition would attempt to enforce a general strike outside the orthodox Moslem area around the Bazaar.

An Iranian newspaper warned the government last week not to confuse its known enemies with people who had genuine demands or those who wanted to see progress "with their own two eyes."

Peru Announces Austerity Plan

LIMA, May 15 (Reuters)—The Peruvian government today announced a stiff package of economic measures, including a 67 percent increase in the price of gasoline, to cope with a fiscal crisis.

At the same time, university and college classes were suspended because of fears of a repetition of the rioting that occurred last July after austerity measures were announced.

The new measures, the second part of a long-awaited economic austerity program, include the elimination of remaining subsidies on staple items such as gasoline, dairy products, bread and cooking oils.

Indian Inquiry Condemns Mrs. Gandhi's Emergency

NEW DELHI, May 15 (AP)—The long-awaited report of a government inquiry said today that former Prime Minister Indira Gandhi's regime declared an emergency in 1975 and arrested a number of opposition leaders merely so that she could remain in power.

The report, released in Parliament by Prime Minister Moraji Desai, said there was no evidence of an internal threat to India's security as Mrs. Gandhi had claimed or justified the imposition of authoritarian measures.

Thousands were detained during the 19-month emergency and a series of "totally illegal and unwanted actions followed involving innumerable misery and suffering," concluded the commission of inquiry, headed by the retired chief justice, J.C. Shah, which heard scores of witnesses since hearings began in September.

Mrs. Gandhi, 60, "misused her position, abused her authority, and subverted well-established administrative procedures and lawful processes," it said.

In a vaguely worded note at the end of the report, the government said it would initiate "appropriate legal action" after careful examination of each individual case. The report contains numerous allegations against Mrs. Gandhi, her son, Sanjay, and officials close to her.

A Communist member of Parliament has already proposed a motion that would bar Mrs. Gandhi from holding public office again if she is found guilty of misuse of power.

Aside from finding the declaration of emergency "wrongful, illegal and unauthorized," the Shah Commission said that Mrs. Gandhi was responsible for directing the ar-

rest and detention of a number of respected citizens without authority of law, motivated solely by a desire to continue in power.

Legal proceedings have begun against the former Prime Minister and her son for refusing to testify before the commission. If convicted, they face a maximum sentence of six months imprisonment and a \$125-fine, or both.

C.M. Stephen, parliamentary leader of Mrs. Gandhi's five-month-old Indira Congress Party, denounced the report and the government's acceptance of it as instrumental of political vendetta.

He told Parliament that the Indira Congress would go to the people for their judgment of the commission's findings, indicating it may launch a protest movement.

Judge Restricts Defense As Trial of Orlov Opens

David K. Shipler

courteous and well-reasoned defense of his activities, arguing that he had a right to criticize the government and, under the free-information provisions of the Helsinki agreement, to circulate that criticism. He had done so, he said, not to undermine the Soviet state, and not for political ends but out of humanitarian concerns.

Two other dissidents, Zviad Gamasakhvili and Merab Kostava, also went on trial today in Tbilisi, the capital of Soviet Georgia, for their activities in a Helsinki "watch committee" there. And a fourth activist, Alexander Podrabinek, who heads a group exposing Soviet abuses of psychiatry, was arrested last night in Moscow, friends said.

Until Mr. Orlov's arrest 15 months ago, he was a focal point for a growing coalition of varied forms of dissent, and those who turned out today to stand in front

(Continued on Page 2, Col. 7)



Mideast Jet Package Weighed by Senate

WASHINGTON, May 15 (UPI)—A sharply divided Senate, forced by President Carter to take a stand, moved today toward a decision on the proposed package sale of supersonic warplanes to Saudi Arabia, Egypt and Israel.

Senate Majority Leader Robert Byrd and Minority Leader Howard Baker said they expected the Senate to go along with the administration's \$4.8-billion sale. The senators scheduled up to 10 hours of debate—including a secret session on the proposed sale's impact on the Middle East arms balance—before voting.

The resolution before the Senate would disapprove the sale of 60 F-15s to Saudi Arabia, 50 F-5Es to Egypt, 15 F-15s and 75 F-16s to Israel. If the Senate rejects disapproval, the administration will be free to go ahead with the sale. But if the Senate adopts the resolution,

the issue will go to the House of Representatives for a vote.

Sen. Abraham Ribicoff, D-Conn., indicated before the secret session that he would split with other pro-Israeli legislators and back the sale because of the support it would give to the two moderate Arab states.

Congress can veto a major arms sale if both houses adopt a concurrent resolution of disapproval within 30 days of official notification, which came April 28.

Baker Opens Debate

Sen. Baker opened the debate by expressing concern over Israel's security and the effect of a massive infusion of arms into the Middle East.

"I have been deeply troubled at the way in which the President has linked them together as a 'package' and at the implications of the future.

(Continued on Page 2, Col. 6)

Soviet-Cuban Force Seen as Big Threat

Saudis Grow Critical of U.S. African Policy

By David B. Ottaway

RIYADH—Saudi Arabia, the most important U.S. ally in the Red Sea region and increasingly throughout Africa, is becoming one of the sharpest overseas critics of what it regards as the Carter administration's policy of courting favor with black Africa by refusing to meet head-on the growing Soviet-Cuban challenge.

As the Saudis see it, the Soviet Union has now established its clear intention of intervening wherever possible in Africa and the surrounding region. This, they make clear in their soft-spoken way, is a direct threat to the Saudi kingdom that cannot be dealt with merely by verbal protests from Washington.

"It has been shown that this thing grows," the foreign minister, Prince Saud al-Faisal, said recently, referring to Soviet and Cuban intervention in various African countries. "When Angola came, it was said to be a unique situation but it repeated itself in Zaire and in Ethiopia. So it does spread."

Afghanistan Coup

The recent coup in Afghanistan, resulting in the establishment of a Communist-dominated government there, has only served to confirm the Saudi fears about Soviet intentions. With thousands of Cuban troops just across the Red Sea in Ethiopia and a strong Soviet-Cuban presence in Southern Yemen,

Saudi Arabia is preoccupied now with the problem of containing local forces threatening the national unity of various countries and that of ending white rule in southern Africa. On both counts, the Russians and Cubans have suddenly emerged as black Africa's most important allies.

There is a notable irony in the new Saudi activist role in Africa and Saudi complaints about U.S. passivity toward the Soviet-Cuban challenge. Only a few years ago, the Nixon-Ford administration was pushing a somewhat lethargic Saudi government to do more to help the West contain the spread of Communist influence on the Arabian Peninsula. Now, it is the Saudis who are pressuring the Carter administration on the same point in both Africa and the Red Sea region.

With the United States increasingly dependent on Saudi oil and backing for the besieged dollar, Washington can no longer afford to ignore the pressure from Riyadh. It has placed the Carter administration in the difficult position of having to reconcile the demands of its new black African allies with those of its most important Arab oil partners.

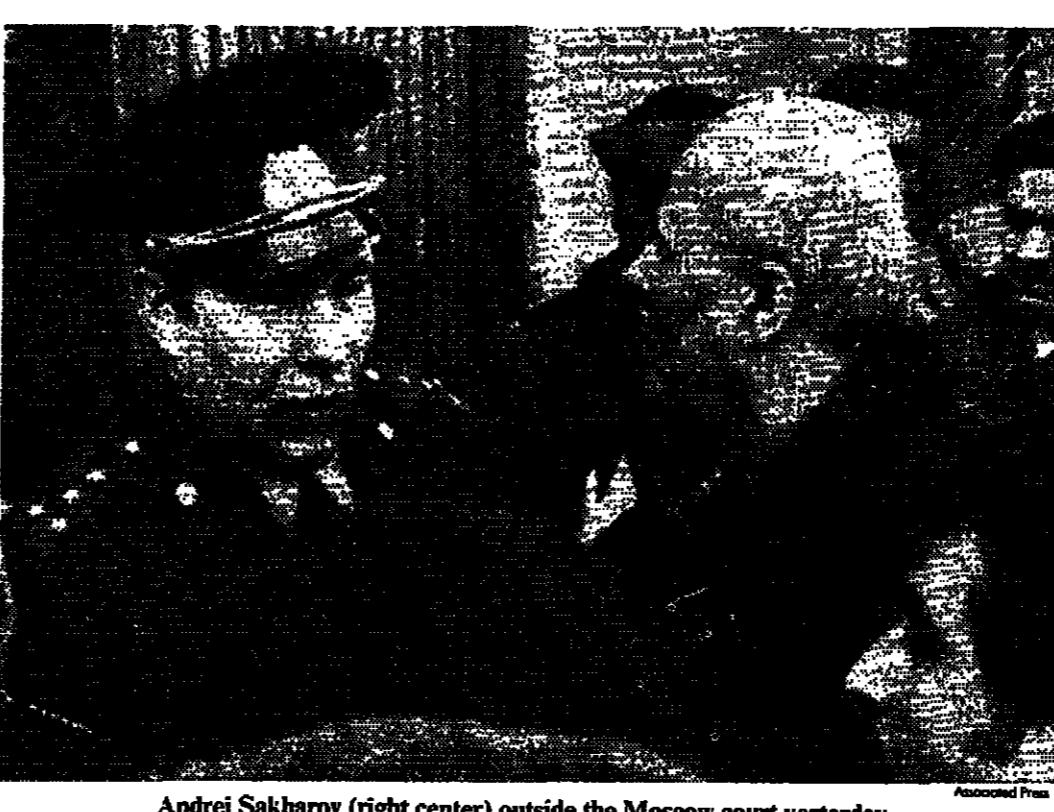
Limited Defense

Saudi Arabia is rich in oil and dollars and the situation "is not a financial problem," remarked Prince Saud, who describes his kingdom as a "small country" with limited means of defense. Something more than verbal protest from the United States has become "a necessity," he added.

The Saudis are stepping up their financial assistance to pro-West African states threatened by the escalating Soviet-Cuban presence. It is not known by outsiders here exactly how much of the estimated

Cold War Theater

While these Arab states tend to view Africa mainly as a new cold war theater and the soft underbelly to their own exposed lands, much



Andrei Sakharov (right center) outside the Moscow court yesterday.

West Ponders Aid

Rebels Claim to Seize Two Key Zaire Towns

By Joseph Fitchett

PARIS, May 15 (IHT)—Congolese rebels claimed to have seized two important towns in Zaire's southern Shaba Province today while Western governments studied whether to give military assistance — for the second time in 14 months — to President Mobutu Sese Seko's government.

Amid conflicting claims about the fighting, Zaire diplomats here confirmed the temporary loss of a key copper-mining town, Kolwezi, and a railhead, Mutshatsha, about 100 miles inside the former Katanga Province from the Zambian border.

Diplomatic sources said that the military threat to Zaire looked probably more dangerous than it was during the Shaba invasion last year when Katangese rebels were repulsed, short of Kolwezi, in the 80-day war by Moroccan troops airlifted aboard French military transports.

Shaba province is defended by the Zaire Army's 8,500-man Katanga Brigade, which had regained most of Kolwezi late today, the government said.

Fate Unclear

The fate was unclear of several thousand expatriates in Katanga—mostly Belgians, but also Frenchmen and about 100 Americans, mainly construction workers employed by Knut-Morrison.

Reports the Cuban advisors were leading or training the rebel force aroused sharp concern among Western diplomats. The official Zaire news agency said that Cubans were heading an invasion force of 4,000 men, mainly ex-Katanga gendarmes, who had infiltrated from Angola through Zambia on Friday.

If the Cuban role in Zaire is confirmed, it will put heavy pressure on the Carter administration to come on the side of the rebels.

The growing disagreement between Washington and Riyadh over the Carter administration's new Africa policy came to a head last year over the U.S. refusal to provide Somalia with arms after President Mohammed Siad Barre cut most of his ties to the Soviet Union and broke relations with Cuba.

The real issue, according to Prince Saud, is not the Carter administration's policy of nonintervention, but whether the Soviet policy of repeated involvement in the internal affairs of African countries, and even intra-African crises, will go ahead with the Carter administration on the same point in both Africa and the Red Sea region.

With the United States increasingly dependent on Saudi oil and backing for the besieged dollar, Washington can no longer afford to ignore the pressure from Riyadh. It has placed the Carter administration in the difficult position of having to reconcile the demands of its new black African allies with those of its most important Arab oil partners.

Washington found itself under enormous pressure from its black African allies not to reward Somalia because it was regarded as a flagrant violator of Ethiopia's borders. Pro-Western Kenya, another neighbor fearing Somalia's territorial ambitions, was particularly insistent that the Carter administration reject Somalia's request for military assistance.

There was no explanation for the decision but it was believed to be linked to threats of sabotage by the extremists who have blocked the opening of the airport, 41 miles northeast of Tokyo, for seven years.

Second Cancellation

It was the second cancellation of a dedication ceremony for the airport, opposed by farmers whose lands were requisitioned for the project. Environmentalists who complain about noise and leprosy who oppose the government.

The dedication first was scheduled for March 30, but on March 26 extremists slipped into the control tower and wrecked \$500,000 worth of radar and computer equipment before being arrested.

The radicals who attacked the relay station Saturday peleted it with 20 firebombs and chopped down 20 of its 54 antennas. They escaped despite 13,000 police on the scene.

Impact Bombs

Police said the firebombs were beer bottles filled with a mixture of gasoline and chemicals that exploded on impact. The radicals had been using firebombs with wicks

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| Austria | 12.5 | Kenya | Sm |
| Belgium | 20 B Fr | Lebanon | ELF |
| Denmark | 3.50 Dkr | Luxembourg | 2.50 L |
| Egypt | .40 P | Morocco | 1.50 E |
| Ireland | .22 P | Niger | .75 N |
| Finland | 2.50 F.M. | Nigeria | 3 N |
| France | 3.00 F | Norway | 2.00 E |
| Germany | 1.50 D.M. | Portugal | .40 P |
| Great Britain | 20 P | | |

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12 Month
High Low*As Polisario Continues Fight*

By David Lamb

NOUAKCHOTT. Mauritania—Two years after it began in earnest, the war in the Western Sahara drags on, with mounting military casualties, diminishing civilian support and no victory in sight for either side.

Men fight over empty tracts of desert, cousins turn against cousins, enemies become friends and allies become enemies, and no one is sure what the winner will get, if anything.

"Frankly, a Western intelligence analyst said, "I don't think there is a military solution to this war. No one's really winning it and no one's really losing it. Even in the end, I don't think there will be a winner."

The area at stake, the Western Sahara — the former Spanish colony of Spanish Sahara — is a phosphate-rich but otherwise forsaken expanse of desert the size of Colorado. It is bordered by the three nations involved in the war: Mauritania, Morocco and Algeria. Among its 50,000 or so people there is not a single doctor, engineer or university graduate — only nomads.

UN Sanctioned

Spain pulled out of what had been its colony in 1976, giving the northern two-thirds, where the minerals are, to Morocco. The poorer third went to Mauritania. This partition, sanctioned by the United Nations, granted the two nations administrative control but not sovereignty. The problem of "self-determination" was left for later.

Seeking independence of the Western Sahara from both Mauritania and Morocco is a 10,000-man guerrilla army known as the Polisario. It is a mobile, well-organized and militarily able force, supported by Algeria. But about half of its members are Mauritanians, so its motives may well go beyond liberation of the Comoros, its destination and a state of fear."

French expatriates who keep the country's iron mines running.

Armed with Soviet-made machine guns, SAM-7 antiaircraft missiles and plastic explosives, the Polisario has succeeded in making the 400-mile train journey from the mines at Zouerate to the port at Nouadhibou so hazardous that Mauritanian locomotive engineers struck for five days recently demanding better security. One exports to Europe have remained steady, but disruption of the rail line has forced Mauritania to rely increasingly on its stockpiles.

The well-trained but ponderously equipped Moroccan forces have taken up garrison duty along the rail line and around Zouerate. Twice last year, in May and July, the Polisario attacked Zouerate. In the May attack they killed a French doctor and his wife, kidnapped six French nationals (who were re-

leased in December) and caused 200 Frenchmen to give up their jobs at the mines.

French pilots flying Figan jets based in Dakar attacked Polisario forces three times last December and again last week, when they caught a Polisario column of 50 vehicles heading across the Sahara for Zouerate. Dozens of guerrillas were reported killed.

French pilots fly frequent reconnaissances missions in the area, and France has about 100 military advisers and technicians here. French officials have left no doubt that if French nationals are threatened, they will go to the aid of Mauritania, a former colony.

No Negotiation

"This is a conflict created and carried out by Algeria," the acting foreign minister of Mauritania, Ahmed Ould Sidi Baba, said in an

interview. "The moment the aggression ends, there will be no more problem. But when we talk about reparation, there can be no negotiation. There is no possible element to negotiate. Would the United States negotiate if some bigger power tried to get Illinois to become an independent country?"

Mauritania bases its claim to the contested portion of the Sahara largely on the fact that the people there are of the same Berber extraction as the Mauritanians. From independence in 1960 to 1974, no one contested Mauritania's claim.

In November 1975 President Moktar Ould Daddah of Mauritania met in Bechar, Algeria, to discuss the Sahara question with Algerian President Houari Boumediene. According to both Mauritanian and informed impartial sources, President Boumediene told President Daddah that he

would have to choose between Algeria and Morocco.

"I choose Mauritania," President Daddah replied.

Then, Boumediene is reported to have said, "I will put an end to Mauritania. It will disappear from the world."

Access to Atlantic

The vendetta that followed partly explains Algeria's support for the Polisario. Algeria also is interested in keeping King Hassan of Morocco in check, and in gaining access to the Atlantic Ocean, which the Sahara offers. For his part, King Hassan, one of the most pro-Western of the Arab leaders, is suspicious of what he considers Algeria's expansionist intentions and of Communist influence in Africa. He wants to unite the Saharans with the Moroccans, to whom they are also ethnically similar, and he is interested in protecting the Sahara's phosphate reserves.

The Polisario was formed in 1972 after demonstrations by women and young people against the Spanish presence in the Sahara. There were 25,000 Spanish there then. The Polisario was backed initially by Libya and, ironically, by Mauritania. The war sputtered along for four years before becoming a major conflict in 1976, when the partition began.

Mauritania had hoped that the departure of the Spanish would lead to a merger of the Berber people, but it did not count on the fierce opposition from Algeria, which had long competed with Morocco for leadership in North Africa. After proclaiming a Democratic Saharan Arab Republic, the Polisario tried to penetrate the Moroccan sector of the region.

Then, last year, it changed strategy and started concentrating on Mauritania.

Half a dozen African countries recognized Saharan republic but in general Africa has chosen to ignore the war, apparently hoping it will go away. Two meetings of the Organization of African Unity scheduled to discuss the Sahara question have been canceled, one of them when only seven of 49 heads of state said they would attend.

Low-Key Attitude

The United States, the Soviet Union and Cuba have maintained a cautious, low-key attitude toward the conflict. Washington has questioned Morocco's use of three U.S.-supplied F-5 fighters based at Nouadhibou in Mauritania because King Hassan's government agreed to use such weapons only for defensive purposes. Morocco replied that since the northern section of the Sahara is part of Morocco it is only protecting its territorial integrity.

Last year 500 Mauritanians were killed in the war; twice the toll of 1976, informed sources said. But the war actually touched few people, and there is no great enthusiasm for it in Nouakchott, the capital.

There is no sense of tension in Nouakchott, no preoccupation with doubt over the Mauritanian's continued existence. Businesses pay a 2 per cent war tax on their receipts, and all salaried workers must contribute two to three days' wages each month to a defense fund. Otherwise, most of the 1.4 million people of this nomadic Islamic country are largely unaffected.

In the end, no one really controls the Western Sahara except whoever happens to be there at the moment with a gun. And the guns are louder than any talk about continental unity. "I used to think," President Daddah said not long ago, "that you could build alliances on mutual ideologies. But I was wrong." Alliances are built on power."

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France will be under pressure to help Mr. Mobutu because of French policy, reaffirmed this weekend by Foreign Minister Louis de Guiringaud, of "readiness to assist friendly African governments which request it."

Responding to rebel claims to have captured a half-dozen French soldiers in Shaba, the French Foreign Ministry said that a few French military technicians had been in Kolwezi for the last few days for vehicle maintenance. France has at least four military assistance teams in Zaire.

To help Zaire, French President Valery Giscard d'Estaing would have to commit France militarily on a fourth front against Lebanon, Chad and Mauritania.

Although opposition parties here take issue with any tendency by France to act as "Africa's gendarme," the foreign ministers of French-speaking African countries who met here last week refrained from criticizing the French interventions. Mr. Giscard d'Estaing would be reluctant to let down the Zaire leader just before a major French-African summit here later this month.

Allegations of a Cuban role were also made by pro-Western rebels in Angola, who said that the Shaba offensive had been launched from Cuban-run training camps there.

According to United Press International in Lisbon, quoting the pro-Western sources, several thousand Katangese rebels — mainly refugees from Katanga after last year's attack — got combat training

Comoros Regime to Restore Liberties

PARIS, May 15 (IHT)—In the first speech by a leader of last week's coup, the new regime in the Comoro Islands has promised to free all political prisoners and restore traditional liberties, notably possession of property and freedom of religion.

Ousted President Ali Soilih was reported to be under house arrest. However, other officials of the ousted regime were invited to join the new government, by Said Athoumani, a leader of the military group now in power.

Welcoming the change of regime, French commentators today described Mr. Soilih, who ruled the impoverished Indian Ocean archipelago for two years, as "a petty tyrant whose brutal, inept, leftist policies reduced the 300,000 inhabitants of the Comoros to destitution and a state of fear."

Government of Children

Describing the ousted regime as a "parody" of the Chinese Cultural Revolution, the Paris daily *Le Monde* said that Mr. Soilih had dismantled the government bureaucracy and handed over the administration to popular committees — in effect, gangs of teen-agers.

With power in the hands of a "government of children," youthful bands roamed the streets, tipping off women's veils as an attack on Moslem ways, according to reports. Political opponents were reportedly dispatched to re-education camps,

and chaotic reforms destroyed the tropical farming economy, the newspaper said.

As the economy collapsed, the report continued, the Comoro government resorted to importing basic goods like cement from South Africa. Tanzania withdrew its 900-man team of military advisers a few months ago. By the eve of the coup, the Comoro government was isolated and drifting like a "rudderless ship," *Le Monde* said.

Escape to Mayotte

France retained a direct interest in the Comoro Islands because Mayotte, one of the archipelago's four main islands, chose to stay French when Comoro became independent in 1975. Recently, thousands of Comoran Moslems fleeing persecution under the Soilih regime, had escaped to Mayotte, which is mainly Christian.

Former Prime Minister Michel Debre, who is now a deputy from Reunion, the Indian Ocean island where 10,000 French troops are stationed, said that Mayotte had freed Comoros a haven of stability and freedom.

France had been criticized by the United Nations and the Organization of African Unity for retaining Mayotte, as Mr. Soilih, facing mounting internal problems culminating in armed clashes, had mounted a campaign to "liberate" the island.

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from Cuba. Logistical support — so poor last year that it was a big factor in the defeat — was handled by East Germans, the sources said, and it apparently has improved considerably.

The insurgents were described as belonging to the Congo National Liberation Front led by Gen. Nathaniel Mbumba, according to reports in Zambia. Many invaders apparently infiltrated from there to Shaba, over a sparsely patrolled bushland border, dressed as civilians.

Although the original corps of Katangese gendarmes, who fled to Angola after the fall of Moise Tshombe in 1963 and helped win the Angolan civil war, are thought to be too old to fight now, the Front apparently draws its recruits from dissident Baluba and Lunda tribesmen.

The Front is one of six opposition groups now seeking to overthrow President Mobutu, who has ruled the vast Central African country of 25 million for 12 years. However, there has so far been little cooperation among the opposition factions.

Indiana Discovers Rich Veins of Coal

BLOOMINGTON, Ind., May 15 (UPI)—Rich veins of coal have been discovered deep under Indiana's usually shallow strip-mine fields.

State and federal geologists, based at Indiana University, said that many of the newly discovered veins were between 500 to 1,000 feet deep. A spokesman said that eight holes have been drilled to locate and assess the state's coal reserves, which up to now only have been estimated.

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As 1980 U.S. Count Nears

Ethnic Census Queries Assailed

By Robert Reinhold

WASHINGTON (NYT)—Plans for the 1980 census are meeting growing opposition from population experts, who charge that the Census Bureau has succumbed to pressure from ethnic groups and has cluttered the questionnaire with items designed mainly to enhance the political power of minority leaders.

Under current plans, all 73 million households in the United States will receive a form asking that all members be listed under one of 14 "races," among them Samoan, Eskimo and Aleut, in addition to white and black.

A question will be devoted to those of Hispanic origin, even though it would apply to only about 5 percent of the population. There is no place, except in a special long form that will go to one in five households, for those who wish to identify themselves as members of the larger ethnic groups, such as Polish, Irish or Italian.

"It's pretty appalling," said Prof.

Charles Westhoff, a demographer at Princeton University. "At the rate we're going, by 1990 everybody in the United States will be asked if they are Apache, Iroquois or Passamaquoddy Indians."

Questions Defended

Census officials defend the ethnic questions, saying they are a response to new legislation and to the legitimate interests of disadvantaged minority groups seeking a better count of their numbers. "We are addressing legislative intent and the needs of government," said Meyer Zitter, chief of the Census Bureau's Population Division.

National leaders make no apologies for exerting influence, even though it would apply to only about 5 percent of the population.

There are three questions on the 1980 form, tested last month in Richmond, Va., that trouble experts like Conrad Taeuber, a demographer who directed the 1970 count.

The first, labeled "Race," lists not only racial groups such as "white" and "black or Negro," but also nationalities and cultural groups. "We have enough trouble educating people about what race means without this," said Jean Ridgley, head of the population statistics committee of the Population Association of America.

Mr. Zitter, of the Census Bureau, said there was a "good possibility" that this question would be altered to omit the term "race." But he defended the inclusion of small groups like the Samoans and Aleuts, saying that many were missed in the past when they had to write in their identities.

The second is the Spanish question, which reads: "Is this person's origin or descent Mexican-American, Mexican or Chicano, Puerto Rican, Cuban, other Spanish, not Spanish?" The critics contend that this question was meant to inflate the Spanish count artificially by encouraging essentially well-assimilated people to include themselves in the Spanish category.

Mr. Zitter said that such breakdowns were needed to help enforce voting rights, bilingual education and other legislation.

And although she conceded that Spanish was not a single ethnic group, Miss Martinez said that Spanish people mostly shared the "common realities" of poverty, poor education, unemployment and political weakness.

Prof. Abraham Jaffi of Colum-

bia University, a specialist in Spanish-American demography, said that the new question would make it impossible to learn anything about such substantial groups as Dominicans in New York or the "Hispanos" in New Mexico, who would all be lumped under "other Spanish."

The third question on ancestry

will appear on only the longer form that will go to one household in five. It asks about each member:

"What is this person's ancestry?" It is "open ended," according to census officials, meaning each person can decide own origins.

Question of Ancestry

In the past, the census determined ancestry by asking for the birthplace of one's parents. But that was useless for determining rising ethnic consciousness among third-and fourth-generation Americans.

But the new question, demographers say, will produce a mass of incomparable and meaningless data. What for example, does a person enter on the form if he has English, Indian, Irish and German ancestry? What do Jews do? The census does not ask religion, and someone entering "German Jew" would be grouped with Germans.

Further, Charles Keely of the Population Council in New York, raises the possibility that a first- or second-generation naturalized Pole would call himself "American" while a third-generation youth, affected by new ethnic awareness, would say "Polish."

Others, however, argue that ethnicity is a matter of what people consider themselves.

Mr. Zitter conceded that the solution was imperfect and that comparison with previous censuses would be impossible. "But in each census you address new issues and problems," he said. "You've got to decide between continuity and change."

We do think, in some cases, the [federation] has gone too far," Mr. Brooks said. "For example, I don't consider 'Oh, My God' a profanity."

Abductors Free

Girl, 13, in Italy

LECCO, Italy, May 15 (AP)—Elena Corti, the 13-year-old daughter of the co-owner of a fish importing company who was kidnapped as she left school Jan. 30, was released unharmed during the night near her home, police reported today.

It was not disclosed whether ransom was paid.

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CHARLY ON A CHOO-CHOO — With what might be called a satisfied smile, Charly, the Hyacinth ara — parrot, that is — rides a miniature train at the children's amusement park in Geiselwind, West Germany. The big bird is one of the favorite attractions at the park near Frankfurt.

Kennedy Gets a Welcome From Mississippi Campus

By Jack Nelson

OXFORD, Miss., May 15—Sen. Edward Kennedy, D-Mass., speaking at the University of Mississippi, where his brothers John and Robert were once hated symbols of federal law enforcement, said yesterday that Mississippi's efforts to achieve racial justice were "heroic" because they demanded change in deeply embedded elements of social tradition.

Sen. Kennedy, warmly received by an audience of several thousand at the university's commencement exercises, said that northerners, for their part, "had learned that injustice also wears a Northern face."

It had been almost 16 years since President John F. Kennedy and Attorney General Robert F. Kennedy sent federal marshals and then troops to the university to control rioting segregationists and to enforce the court order admitting James Meredith as the first black student.

Although traces of bitterness about the confrontation remain in parts of Mississippi, none was evident yesterday on the campus.

Sen. Kennedy was introduced as "one of the outstanding young leaders of our country" by Sen. James Eastland, D-Miss., who during the years has made many political deals behind the scenes with the Kennedy brothers while maintaining a public posture of defying attempts to desegregate.

Sen. Kennedy commended Sen. Eastland for his dedication to public service.

The sight of Sen. Kennedy, wearing a "Big Jim" button and a Confederate colonel's emblem in his lapel, and exchanging compliments with Sen. Eastland, was so unusual that a Mississippi newsmen, slapping himself for emphasis, said, "I can't believe this is really happening."

The two senators referred to each other as "Ted" and "Big Jim" and Sen. Eastland said that in 15 years of association with Sen. Kennedy, he had found him to be "a man of his word, a hard worker, a tenacious fighter for what he believes to be right, and a member who does his homework and is always prepared to sustain a position he advocates."

Sen. Eastland, 73, is retiring this year and under the seniority system his powerful position as Judiciary Committee chairman will pass to Sen. Kennedy, 46.

In the audience yesterday were 1,062 graduates, including a fairly

Says He Thinks President Has Done Quite Well**Meany Belittles Differences With Carter**

By Helen Dewar

WASHINGTON, May 15 (UPI)—George Meany sought yesterday to smooth over differences between President Carter and organized labor about how to fight inflation, but the AFL-CIO president reiterated his opposition to Mr. Carter's call for voluntary wage restraint by unions.

Denying recurrent reports of increasing hostility between him and Mr. Carter, Mr. Meany said he would support the President again over any known Republican challenger and would not encourage a "dump-Carter" move among Democrats in 1980.

"By and large, I think he's done quite well," Mr. Meany said, appearing to go out of his way to play down any appearance of a serious rift between the AFL-CIO and the White House.

Appearing on ABC's "Issues and Answers" program, Mr. Meany said the AFL-CIO was "disappointed" with some of Mr. Carter's actions just as he was sure that Mr. Carter was "disappointed" with the AFL-CIO's rejection of specific wage-curb targets at a White House meeting Wednesday.

Denies Confrontation

But there was "no confrontation," Mr. Meany said, adding: "Once in a while I have disagreed with him, and I suppose I'll have more disagreements from time to time, but basically I support him."

Mr. Meany's assessment came as the administration and organized labor rebounded from last week's quarrel and prepared for this week's joint effort to win Senate approval of labor-law revision. Labor is counting heavily on Mr. Carter for help in breaking a threatened filibuster against the bill.

Sen. Kennedy, who received standing ovations at the beginning and end of his speech, provoked laughter when he said that he asked Sen. Eastland, "How can you invite a Kennedy to speak at the University of Mississippi?" and the senator replied, "Because I'm not running for re-election."

Sen. Kennedy spoke of "the enormous accumulation of power by the federal government over the past decades" and suggested that changes may be necessary if citizens are to have more control of their lives.

Los Angeles Times

mentioned, I would be all-out in support of Jimmy Carter today," he said.

Asked if he would participate in

New Governors Are Reported In Afghanistan

BELGRADE, May 15 (AP)—The Revolutionary Council of Afghanistan today published a list of new governors for 20 of the nation's 27 provinces, the Yugoslav news agency Tanjug reported from Kabul.

The new governors will take their new posts today from commanders of military districts who performed military and civilian duties in the provinces during the recent state of seige.

Tanjug said that the nomination of the new governors was the first measure aimed at settling the state administration after the coup.

The agency said the governors were all members of the People's Democratic Party of Premier Nur Mohammed Taraki.

a "dump-Carter move," Mr. Meany said, "No sir, I would not."

If the Democrats are going to dump Carter, the Democrats are going to have to do it," he added.

The Wednesday meeting, which was described as tense and heated at times by both administration and labor sources, was the latest in a series of encounters that have prompted speculation of bad feelings between the 83-year-old labor leader and the President.

Mr. Meany denied that, too, saying reports of incompatibility and inability to communicate had been exaggerated by journalists who are "looking for blood on the floor."

At the meeting between Mr. Carter and the AFL-CIO Executive Council, the President specifically asked the council, which includes the presidents of most big AFL-CIO unions, to aim for smaller wage increases than they won in their most recent contracts.

"We couldn't deliver that . . . We don't negotiate contracts," said Mr. Meany. "Bring the prices down, and I'm quite sure that wages will stay down . . . I don't think there's any question on that."

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12 Month
High Low*Nudity and Insults***Spanish Magazine Mixes Sex, Politics**

By James M. Markham

BARCELONA (NYT)—"I hold the record in Spain," boasted Antonio Alvarez-Solis between bites of lobster salad. "I have been indicted 30 times. Every Tuesday, I go to court, and my lawyer tells me which judges to go to. No. 8, 18, 27. One judge suggested that I get a toga to get around the halls."

An irreverent bearded patrician, Mr. Alvarez-Solis holds another record. Every week, about 900,000 Spaniards buy his magazine *Interviu*, a combustible mix of sex photos and acid political commentary that has made him rich, keeps his lawyer busy with the libel suits — and has become a vanguard of the press in post-Franco Spain.

"The ambition was to have a magazine with a circulation of 150,000," said the 47-year-old publisher, editor and columnist, recalling *Interviu's* humble beginnings in the spring of 1976. "Last October we got up to 1,120,000, but now we are finding our level. In the history of journalism in Spanish, there has never been a magazine with this high a circulation."

Formula Copied

Interviu's formula, which has been copied by competitors as well as a raft of new magazines created by Mr. Alvarez-Solis, has been to give Spaniards what they did not have under four decades of Francoism: photographs of naked women that some might find pornographic, and biting attacks on those

who hold, or held, political and economic power in Spain.

The cover of *Interviu*, invariably graced by a naked woman, grabs at Spaniards, shakes them by their inhibitions. "Lola Flores: I Do It Every Day." "The Duke of Tovar: Only Rightists Are Patriots." "Subnormals: Not Allowed to Make Love." "The Magician of the Zarzuela Speaks: Exclusive Interview With King Juan Carlos." "Fascist Bullfighters: Murderers of Workers."

Mr. Alvarez-Solis said that the photo-style displays inside *Interviu* bore him personally, but he defended them as a necessity. "We Spaniards today need a lot of things — to take off our clothes, to insult each other. We have not been able to do this in the past, and now we need to. I maintain the thesis which some judges have accepted.

**3 More Rings
Are Discovered
Around Uranus****PASADENA**, Calif., May 15 (WP)—Astronomers at the California Institute of Technology and the Hale Observatories have discovered three more rings around the planet Uranus, bringing the total number of such rings now known to eight.

"There may be one or two more still," said Dr. Peter Goldreich, Caltech professor of planetary science and one of the discoverers of the new rings.

The finding was made in March of last year when two teams of astronomers, one at a ground-based observatory in Australia and the other in a U.S. space agency airborne observatory, recorded the occultation of a distant star by Uranus.

An occultation is an eclipse in which an object moves between an observer and the radiation from another, more distant object. In this particular instance, Uranus came between astronomers and the light from a relatively bright star in the constellation Libra.

**24 U.S. Paratroopers
Injured in Sardinia****CAGLIARI**, Sardinia, May 15 (AP)—Twenty-four U.S. Army paratroopers were injured today during a jump that was part of a North Atlantic Treaty Organization exercise on this Mediterranean island, officials reported.

Witnesses said that the wind suddenly blew in gusts of more than 30 miles an hour as the paratroopers came down. Five were brought to a hospital here for treatment of fractures, but officials said they were not in serious condition. They said the others had bruises and some rib injuries.

The paratroopers are members of the 509th Infantry Regiment, based in Vicenza, Italy.

that there are some people who need to see naked women. I think that society should strike its own balance on this, develop its own antibodies."

Spanish judges and the publishers of the nation's sex magazines have reached a kind of standoff, something less than a gentlemen's agreement under which fully naked women are kept for the inside of the magazines. But among scores of pending court cases against Mr. Alvarez-Solis for causing "public scandal" is one for having some time back published nude scenes from a movie that is now playing in Barcelona. "We are living in a period of legal uncertainty and incoherence," the publisher said.

One of *Interviu's* iconoclastic quirks is rattling the skeletons of the Spanish Civil War, a traumatic past that many Spaniards are inclined to repress so as to avoid poisoning the present. Dwelling on the fratricide seems to have some roots in Mr. Alvarez-Solis' family history. His father was an editor of *El Debate*, a rightist Catholic newspaper that before the war dabbled in liberal ideas. "He was always moving to the left," Mr. Alvarez-Solis said.

Dredging up the crimes of the can be a dangerous and costly business as the publisher found last year when he tried to publish a lengthy investigation of the activities of the powerful Roson family in Galicia during the Civil War. The article detailed charges by survivors that the Rosons had viciously hunted leftists after Franco's rebellion against the Second Republic in 1936. One member of the family is today the president of Galicia's new regional government; another is civil governor of Madrid.

According to Mr. Alvarez-Solis, in November, four days before the article was to appear, Gen. Luis Roson, another member of the clan, appeared at *Interviu's* Calella office and announced that the issue of the magazine would be seized by court order if the article was not withdrawn. It was Mr. Alvarez-Solis' trial to publish an amplified version of the article last month but was forced by court order to rip the offending chronicle from the magazine.

Some Spaniards maintain that *Interviu* can be wildly inaccurate — a former Franco minister said sarcastically that he will give the proceeds of his pending lawsuit against the magazine to a fund to promote journalism — and even Mr. Alvarez-Solis acknowledges occasional errors. "Spanish journalists are like bomber pilots who learn to fly before they learn how to take off," he said. "And sometimes their bombs miss. Sometimes they hit a hospital."

Even so, the publisher insists that *Interviu* is playing a vital role in forcing "a cultural rupture" with the past in the face of Spaniards who are unjustifiably obsessed with a fear of "this frightening ghost called destabilization."

Opponents said there is an average of 30 passengers weekly to and from Albania paying the 4,000 drachma (\$110) return fare. Pilot Nikos Kousseas said, however, that on one flight he brought only four travelers from Tirana.

Passengers to the country of 2.5 Million, whose policy is to restrict foreign to a minimum, have so far mostly included Greek and Albanian diplomats, commerce officials, and persons with relatives in the Western world.

The once-weekly round-trip flight from Athens to Tirana was inaugurated early last month. It is the sole commercial flight existing between a Western country and the small, self-isolated, strictly orthodox Communist republic on the East-West European frontier.

The link is described by experts as vital for current Albanian policy and to keep an open door after the deterioration of ties with its longtime ally, China.

30 Passengers

The connection is made by Olympic Airways as an extension to the domestic route between Athens and the northern frontier city of Ioannina. It means a further half-hour flight into Albania for the twin-engine, 46-seat YS-11.

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officials, and persons with relatives in the Western world.

The pressures such as those on

Gyorgy are common and becoming

more intense in contemporary

Hungary — perhaps the most affluent country in Eastern Europe.

The economy is in difficulty. Inflation, officially said to be 3.5 per-

cent to 4 percent a year, is believed

by many economists to be at least

twice that. Wages, particularly for

many government workers, and

pensions are not keeping pace.

The price of fruits and vegetables can

fluctuate by as much as 4,000 per-

cent from one season to the next.

Luxury goods, particularly prod-

ucts from the West, are pulling

ahead even faster.

Not Economics

But a Western diplomat said:

"It's not a question of economics.

The diplomatic and political con-

siderations are far more import-

ant."

The steadily improving Greek-Albanian ties began in 1971 with the establishment of diplomatic relations and exchange of ambassadors, terminating the technical state of war which had prevailed for 30 years. It meant that Greece in effect dropped its claim to northern Epirus, or southern Albania, which hosts some 150,000 Greeks and was the cause of friction.

An initial \$1.5-million trade-ex-

change agreement in 1971 has

grown to \$27 million this year.

This, however, still represents only

0.7 percent of Greece's total trade

exchanges. Greece exports to Al-

bania mainly steel, ores, chemicals,

pharmaceuticals, and other indus-

trial goods. It imports Albanian oil

and byproducts, asphalt, electric

energy, timber, skins and hides.

A Greek minister first visited Al-

bania in 1976. The return call to

Athens was made by Albanian Commer-

ce Minister Mehdin Hoxha in May of last year.

Speeches Cited

Albanian officials in Athens

point to recent speeches by their

leaders as evidence of Tirana's de-

sire to strengthen ties with Greece.

These were mainly by the first sec-

retary and head of state, Enver Hoxha,

to the party's seventh con-

gress in 1976. They also cite a

speech by Premier Mehmet Stehus

last year, and more impressively the

tour in March of Greek-populated

areas in southern Albania by Mr.

Hoxha during which he urged them to

preserve their Greek culture and lan-

guage.

"This was an amazing break with

the past," said a Greek official,

adding: "The Greek minority's ex-

istence was not even mentioned

before."

Sharks Off U.S.

Food for Cuba

WASHINGTON, May 15 (UPI)—Relations between the United States and Cuba may not be improving much but Cuba is the only country permitted to fish for sharks within the U.S. 200-mile

fishing limit.

The State Department said last

week that Cuba will be allowed to

take up to 1,000 tons of sharks a

year from the Gulf of Mexico and

off the Atlantic Coast.

The Cubans intend to fish for

small sharks for food, said a

spokesman for the State Depart-

ment's Bureau of International and

Scientific Affairs.

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Obituaries**William Lear, Inventor Of Small Jet, Car Radio**

NEW YORK, May 15 (NYT)—William Powell Lear, 75, the industrialist who pioneered the small corporate jet plane and who invented, among other things, the car radio, the automatic pilot for aircraft and the eight-track stereo cartridge, died yesterday of leukemia in Reno, Nev.

His friends and associates remembered him as an energetic, exuberant man for whom 18-hour days were routine. They remembered him, also, for his generosity and loquaciousness.

Some also recalled Mr. Lear's enthusiasm for projects, as when he proclaimed that one of his inventions, a steam-powered car, was the antidote for automobile pollution.

Mr. Lear's friends recalled that he was always searching for a new project. In 1967, after selling, for \$28 million, his interest in the Lear Jet Corp., which he had founded, he became bored with retirement.

He turned his malaise by plunging into a new project, the steam-powered auto. And while that plan was in the works, he began designing a small jet plane called the Learstar 600. After that, he set out to develop a Learfan business jet that would be twice as fast as and more economical than the conventional corporate jets in use.

"Before anyone ever flew super-sonically, Bill was living that way," a friend said of him.

His fondness for a high-pressure life, Mr. Lear often said, was cultivated in Chicago, where his mother, divorced from her husband, had moved from Hannibal, Mo., where Lear was born on June 26, 1902. While attending public schools, he worked in his spare time at shoe shining, and although his inventive skills were apparent to his teachers, his creativity was continually frustrated by economic circumstances. He decided, at the age of 12, to leave those circumstances behind.

"I remember working out a blueprint for my future when I was 12," he said many years later, when he had accumulated an estimated \$75 million. "I resolved first to make enough money so I'd never be stopped from finishing anything; second, that to accumulate money in a hurry—and I was in a hurry—I'd have to invent something that people wanted, and third, that if I ever was going to stand on my own feet, I'd have to leave home."

He left home at 16 and joined



William Lear
... in 1970.

the Navy, where he studied radio in World War I.

His naval training proved useful when, in the early 1920s, Mr. Lear invented and sold to the Motorola Corp. a design for the first practical automobile radio. This was his first patent, to be followed by about 150 others, in such fields as radio, electronics, aviation technology and auto engineering.

Mr. Lear's associates said that the inventor had had an eclectic career, marked by the individuality that characterized such contemporaries as Henry Ford. In World War II, for example, Lear Inc., which Mr. Lear had founded in 1939, did \$100 million worth of business supplying spare parts to the U.S. armed forces. And soon after the war, he produced the lightweight autopilot, considered by many to be his most famous invention. The autopilot is a device that uses electronic impulses to stabilize an airplane and enables it to fly automatically on a fixed course. By adjusting a few knobs, a pilot can fly without manual steering and land or take off in inclement weather.

Mr. Lear's design for the original Learstar jet, which opened the market for small corporate jets, was controversial. Critics said that the plane was vulnerable to icing of its exterior surfaces, and there were several crashes. Business suddenly dropped, and Mr. Lear sold his concern to the Gates Rubber Co. of Denver.

The engineers at Gates overhauled the design of the plane, and in a few months it was once again popular among corporate buyers.

Boredom was his nemesis. Mr. Lear said, and to avert it, he sometimes went on binges that involved full days of work and full night of crap shooting. His friends recalled that he was a great party-goer and party-giver, with a proclivity for whiskey and attractive women.

Flamboyance was something that Mr. Lear said he thrived on. Once, in an effort to expand the sales of his company, he flew to the Soviet Union in his own plane, becoming the first private American flier to do so.

—PRANAY GUPTA

Alexander Kipnis

WESTPORT, Conn., May 15 (AP)—Alexander Kipnis, 87, a world-famous basso who starred at

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Longest Serving Prime Minister**Australian Sir Robert Menzies, 83, Dies**

SYDNEY, May 15 (AP)—Sir Robert Gordon Menzies, 83, Australia's longest serving Prime Minister who guided the country's postwar development, died today at his home in Melbourne, the government announced.

Sir Robert, the son of a country storekeeper, had been living in retirement since 1966.

He dominated Australian politics as Prime Minister from 1949 to 1966 and also headed a wartime coalition government from 1939 until

1941. A staunch conservative, lawyer, orator, Anglophile, and cricket fan, Sir Robert was unwaveringly loyal to the British Crown, loved good food, cigars and witty conversation, and made no attempt to hide his contempt for journalists, socialists, and the United Nations.

Created Coalition

A brilliant parliamentarian and politician, he put together the Liberal-Country Party coalition which ousted Labor in 1949, when Australia was bedeviled

by strikes, tired of wartime restrictions and worried about Communism.

The need for capital investment and defense partners as well as his own sympathies kept Sir Robert's governments in close alliance with the British and Americans. Sir Robert never developed as intimate relations with his Asian neighbors as he had with London and Washington.

He also despised the United Na-

tions as a stamping ground for the inconsequential and never warmed to the new countries of Africa and Asia. Accused once of having a superiority complex, he replied: "Considering the company I keep in this place, that is hardly surprising."

"I am a reasonably bigoted descendant of the Scottish race," he remarked on another occasion.

Born in a small town in the southeast Australian state of Victoria, he was one of five children and attended Wesley, a leading private school, and Melbourne University on scholarships. He won first-class honors in law and became a successful member of the bar.

After eight years in the Victoria state legislature, he was elected to the federal House of Representatives in 1934. Five years later, after Cabinet service as attorney general and minister for industry, he became the third youngest prime minister in Australian history, at the age of 44.

He resigned in 1941 because of tensions within his own party and lost the subsequent national election. But he took an important role in the war Cabinet and returned to power in 1949.

Queen Elizabeth II knighted him in 1963 and three years later he handed over the government to the late Harold Holt, the federal treasurer. Before stepping aside, he won Parliament's endorsement for Australia's entry into the Vietnam war, in support of the United States.

Occasional Letter

After his retirement, he wrote his memoirs, "Afternoon Light," and confided his political activities in an occasional letter to the editor.

"All Australians will mourn his passing," said Prime Minister Malcolm Fraser, a protege of Sir Robert. "He gave his party and his country inspiration."

Among the other changes are the reinstatement of entrance examinations for colleges are the re-establishment of special or "key" schools for bright students and the lowering of tuition and ranks for teachers.

During the Cultural Revolution, Mao had tried to make education more egalitarian and more practical by abolishing exams, requiring that students spend large amounts of time at manual labor and encouraging students to challenge the authority of their teachers.

In the last year and a half, however, Peking has said that these changes threw China's school system into chaos and lowered the standards of education. China is now trying rapidly to train a new generation of scientists and technicians to facilitate its ambitious plan to become a modern industrial power by the year 2000.

New Elite

According to Susan Shirk, a professor of political science at the University of California at San Diego, who recently completed a tour of Chinese schools and colleges, some teachers are worried that the new system will create a new elite, thus contravening Mao's pre-

scription about the need for equality in China.

The program of differentiation, however, has evidently aroused considerable controversy in China, as it has in the United States, where it is known as "tracking," and arguments being advanced for and against tracking in China appear to be much the same as those in the United States.

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During the Cultural Revolution,

Surprise in Salisbury

Africa is presently a hard-line continent. Rather than argue, concede and agree, the African groups tend to fight one another, whether over ideas, tribal ascendancy, personal power or whatever.

One such group has just entered Zaire, but if it wants an independent Katanga (and its mines) or to upset the Mobutu government is still not clear. France has sent reinforcements to Chad, where the police activities that constitute much of what remains of the French Union are needed to combat rebels. Ethiopia has threatened Somalia over Ogaden, and John Vorster says that South Africa will not apply the one-man, one-vote principle to its blacks. And these are only recent, publicized illustrations of the intransigence that seems to dominate Africa today.

* * *

But there is an exception. Bishop Muzorewa and his large United African National Council will not leave the government which Ian Smith set up to transform white-ruled Rhodesia to black-majority-ruled Zimbabwe. And this is in spite of the fact that that government dismissed Byron Hove, whom the bishop had chosen to share the leadership of the Justice Department with a white man.

The choice that the bishop and his party made was not an easy one. Mr. Hove had been ousted for demanding changes in police hiring and promotion practices to favor blacks. And since one of the chief charges

against the Smith transitional plan was that it gave too much power to the whites in the police and the army, this was and remains a crucial issue.

But it was also stated that Mr. Hove made his demands in public, rather than within the barely organized black-white government. Moreover, it was argued that without the Muzorewa party that government would fall — and without the government the party would be isolated.

That the party responded to these reasonable arguments is unusual in the present state of African politics. Issues of this kind did not bring the guerrillas of the Patriotic Front into the original plan for transition put forward at Geneva in 1976, nor has any plan since — whether it came out of London, Washington or Salisbury — done so. Something of this kind also prevails in Namibia, and did in Angola. Too often the leaders of freedom movements want victory for their side, rather than for their people.

* * *

Whether the patched-up government in Salisbury will work satisfactorily and bring about a peaceful, functioning Zimbabwe remains to be seen. Obviously, there are points of friction which could break it up, to say nothing of what the Patriotic Front might be able to do with weapons. But at least one crisis has been surmounted by reasonable means — and that gives hope for those that will arise in the future.

Easing Spain Into NATO

For more than a generation, during Generalissimo Francisco Franco's dictatorship, the nations of Western Europe ostracized Spain from their councils. Yet they winked at the defense agreement between Madrid and Washington, signed in 1953, which gave the United States the use of four strategic bases and made Spain, de facto, a part of the Western alliance. Now a democratic Spain is deeply engaged in negotiations to join the Common Market, and would probably be welcome in NATO if it applied. But NATO is a divisive issue in Spain's newly open politics and — desirable though Spanish membership would be — Western governments should be wary of making their blandishments too strong.

* * *

Since Franco's death in 1975, Spanish political leaders have been preoccupied with establishing a working democracy; the country had not known a free election in 41 years. The two strongest parties, the governing Democratic Center and the moderate leftist Socialist Workers, are only beginning to stake out positions on Spain's international involvements. Both favor joining the Common Market. But they are divided on NATO, with Premier Adolfo Suarez's government in favor and the Socialists opposed. Socialist objections are in part a legacy of the past; during the Franco period, merely because the regime favored joining NATO, its opponents

demurred, and working-class sentiment is still strongly negative. Yet the Socialists support continuation of the bilateral defense arrangement with Washington.

Spanish membership would enhance NATO's position in the Mediterranean and the South Atlantic. But given the close defense ties between Madrid and Washington, it would have more political than military significance. It would signal a democratic Spain's full acceptance in Western Europe. It would enhance the roles, within Spain's armed services, of the navy and air force, whose officers are more democratic in their inclinations than those of the army. It might facilitate an accord with Britain to turn over Gibraltar to Spain. It would remove friction from relations with the United States by making the issue of "foreign" bases on Spanish soil a multilateral issue.

* * *

Spain's bilateral treaty with the United States comes up for renewal in 1981. That would be the logical time for Spain to enter NATO. But the Western allies should not press the issue. Premier Suárez is treading cautiously. The last thing that he or his Socialist rivals should want is for Spain's policies to be exacerbated by a question of secondary importance. And that is the last thing that Washington, Bonn and other NATO capitals should want as well.

THE NEW YORK TIMES.

International Opinion

Brezhnev and Bonn

Though Brezhnev's health problems certainly complicated the timetable, it can hardly be a coincidence that his Bonn visit came at a time of mounting U.S.-German differences. President Carter and Chancellor Schmidt have long been at loggerheads, starting with Schmidt's electioneering support for Ford and progressing through his relatively open criticism of U.S. failure to check the decline of the dollar and neglect of certain European defense interests, as Bonn sees them. And the criticism has by no means been one-way. Yet there are no tangible signs that Germany is flirting with Moscow at the expense of her Western allies, even though it is quite clear that difficulties within an alliance are bound to be a target for exploitation by outsiders. It would seem urgent for the West to clear up its differences before the major priorities become finally obscured by day-to-day controversies.

From the Neue Zürcher Zeitung, Zurich.

* * *

Although everyone made much in public of the economic agreement between the two governments which is to run for 25 years, the main business done seems to have been both more immediate and more practical. Mr. Brezhnev evidently thinks that Chancellor

Schmidt now understands the up-to-date Soviet position on the three main issues which bedevil East-West relations — the deadlocked talks on mutual balanced force reductions (MBFR) in central Europe, the Soviet fears about SALT, and the now hushed transatlantic debate about the neutron bomb.

Chancellor Schmidt may also believe — although with lesser degree of certainty — that Mr. Brezhnev understands the elements at least of the American position on these three issues. Even if this is all that was achieved behind the elegant battlements of Schloss Gymnich the news is still good. If the Soviet government wants to talk indirectly to President Carter, thereby avoiding the fuss, the trouble and the exaggerated expectations of a face-to-face meeting, then Chancellor Schmidt is one of the best intermediaries available (although Mr. Callaghan would have done just as well). The world must hope that detente will blossom and that SALT and MBFR — those silent and immobile conclaves — will produce results quickly. For, as President Kekkonen of Finland said last week, the danger is that the hideous inventiveness of the armymakers will produce their next deadly toy before the peacemakers have produced their next agreement."

—From the Guardian (London).

In the International Edition

Seventy-Five Years Ago

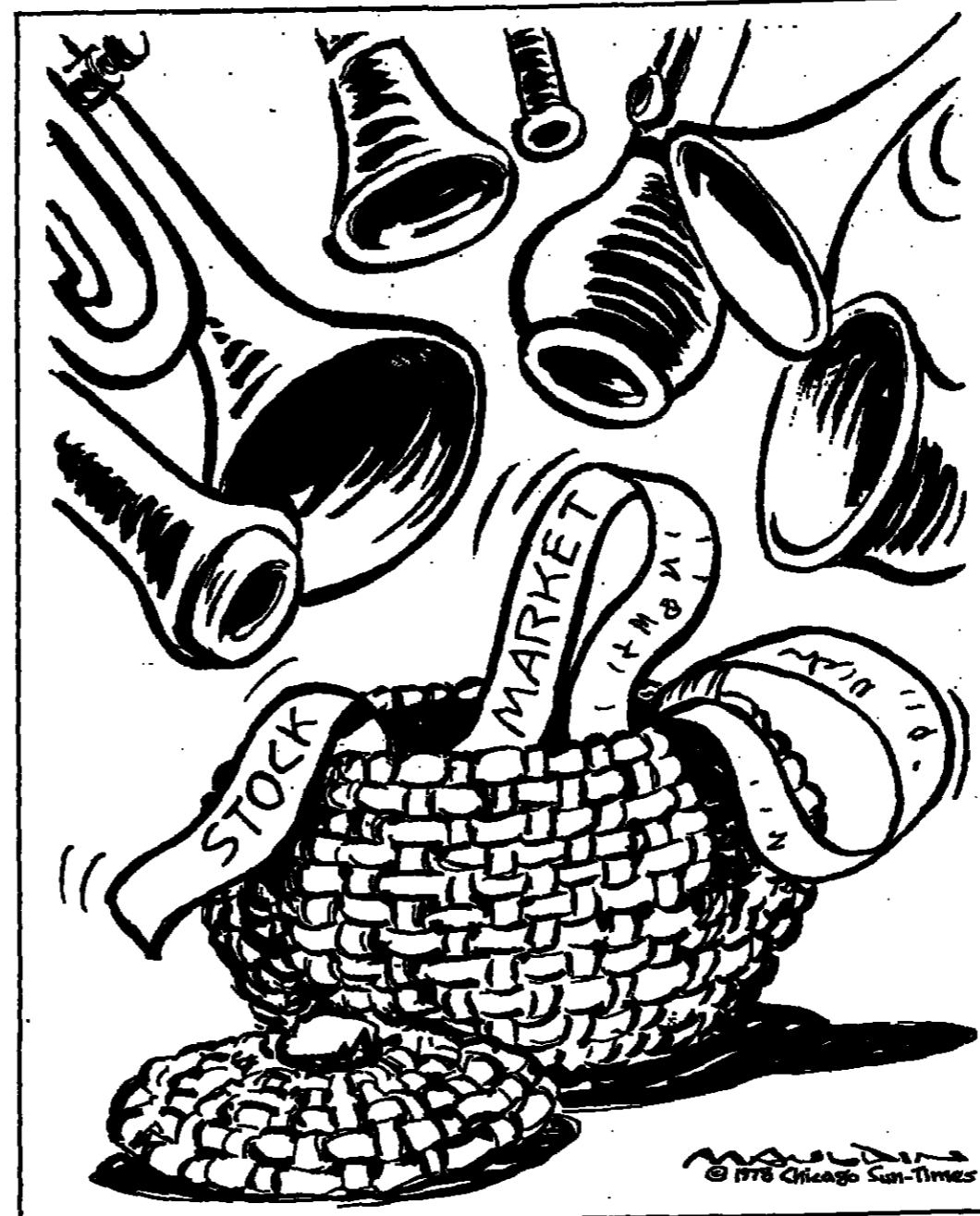
May 16, 1903

CHICAGO—"Cocktails, man and flattery are the three evils that the professional woman must shun just as completely as the ambitious man must turn his back against wine, woman and song. She is susceptible to them all, and each is a barrier to success." This declaration was made by Grace Noble, who is to manage a New York playhouse next year, at a meeting of the Hull House Woman's Club. Miss Noble also declared that society women are victims to cocktails as often as professional women, but, she said, the society woman has not a career to ruin.

Fifty Years Ago

May 16, 1928

LONDON—On Sept. 6, 1620, the Mayflower left the shores of England, taking a party of 102 "Independents," who founded the New England of America. Three weeks from tomorrow a party of 1,250 Congregationalists, as the "Independents" are now called, will sail from Liverpool to visit the places to which the pilgrim Fathers of 1620 sailed and where they laid the foundations of the unbreakable bonds that bind the Old England with the New. Congregationalists in America (1 million) are making great preparations to welcome the party.



A Defense Outline for Carter

By Alton Frye

WASHINGTON—What can Jimmy Carter do to prove he cares about national security? Tough question. And in some respects an odd one for a President who proposes to increase defense spending by more than \$9 billion next year.

Yet it is one the President had best ponder long and hard before submitting any strategic arms agreement to the Senate. In various quarters and for various reasons — the B-1 bomber cancellation, deferral of the neutron warhead, the Panama Canal treaties — Carter has shown doubts about the strength and wisdom of his national security policies. As even backers of those decisions must recognize, such doubts could become a fatal malady unless the administration shows more vigorous initiative in this area.

Prescriptions

Some prescriptions to cure the ailment:

• **Build a medium-range missile for Europe.** The theater balance is not precarious, but it is in flux. Soviet deployment of the SS-20, a mobile, multiple-warhead missile, has greatly alarmed the allies. The time has come to do what former NATO commander Lauris Norstad proposed years ago: deploy a mobile, medium-range ballistic missile (MMRBM) of our own. To encourage mutual restraint, the President should make clear that the level and character of such deployment will be influenced by the scale of the SS-20 force fielded by the Soviets. The Senate Armed Forces Committee has just approved \$2 million for conceptual design of an MMRBM, as proposed by Sen. Thomas McIntyre, D-N.H.

• **Bolster deterrence by making clear that, if theater nuclear weapons ever have to be used, their initial targets will be in Warsaw Pact territory.** There has been too much emphasis on the notion that U.S. nuclear weapons might be used first against Soviet forces advancing into West Germany. The President should disabuse the Soviets of any notion that he might confine nuclear strikes to enemy invaders on NATO territory. The prime targets should be Soviet tactical support units and facilities in Eastern Europe.

• **Increase strategic warning by negotiating a tank-free zone between NATO and the Warsaw Pact.** Sen. Sam Nunn, D-Ga., has made the sensible suggestion that the slow-moving negotiations on mutual force reductions should focus on measures to give greater warning of impending attack. Even without actual cutbacks in the number of weapons available to the two blocs, it would be quite useful to separate their armor forces. Carter should seek a mutual tank disengagement of about 100 miles on either side of the line. The movement of tank forces into such a zone would provide a signal of hostile intentions, alerting the defenders to take countermeasures. With anti-tank weapons concentrated near the frontier, this arrangement would add needed stability along the front. Since any invasion force would likely betray the direction of its thrust before reaching the border, the scheme would also favor the defender by allowing him to direct his own forces to the principal battle zone — and by permitting early interdiction by airpower. Few steps could contribute so much to European security.

• **Engage the French as NATO's mobile reserve.** Twelve years after France's withdrawal from the alliance's integrated command there should be renewed efforts to define a suitable and useful French role in European defense. We should be able to move beyond the posture of Frenchmen describing Americans as unreliable and Americans decrying Frenchmen as impossible. President Valery Giscard d'Estaing has been groping cautiously toward somewhat closer coordination of French defense with other NATO members.

It may now be possible, given the degree of anxiety about growing Soviet capabilities, to engage France in a role commensurate with its special location and substantial resources. A distinctive mission for the large French Army would meet both NATO's need for a rapid reinforcement capability and France's historic insistence on "independent national defense." Washington should do all in its power, including technology transfer and help in modernizing French mobile units, to persuade Paris to assume an explicit role in backing up NATO forces in Germany. Gen. Guy Mery, French chief of staff, has alluded to this possibility. A rapprochement between France and NATO should be a central objective of U.S. diplomacy.

These military and political initiatives mesh well with Defense Secretary Harold Brown's stress on NATO. They suggest the kind of bold program the President needs to advance — and to implement, if the allies concur. They are no panacea, but they offer a convincing response to mounting Soviet capabilities. Without such a counter to the Russians in Europe, Carter may face insuperable obstacles to collaboration with them in SALT.

Alton Frye is the Washington director of the Council on Foreign Relations. He wrote this article for The Washington Post.

Letters

Jewish Refugees

not to President Carter or President Sadat. If he lets the Oriental Jews down, he will be voted out of office.

Israel is being pressed to give up all territories taken from the Arabs. There is no mention of 100,000 square kilometers taken by Arabs from Oriental Jews, who are now waking up and demanding their rights. They have seen how a handful of Palestinian terrorists have frightened the world into supporting claims much weaker than their own. If they feel isolated and abandoned by the West they can resort to the same tactics with much graver consequences. They could spark off a nuclear war which would completely destroy the Middle East oil supplies. They might make a deal with the Russians which would allow leftist revolutionaries to take over Saudi Arabia with Cuban troops. The Carter administration had better wake up and see this reality before it is too late.

HARRY J. LIPKIN.
Rehovot, Israel.

Holocausts

Re: Art Buchwald's excellent "Prime Time Hit" (IHT, April 25) and Mr. Buchwald's question as to what NBC can do if the sponsors of

the serial wanted a sequel or an encore? May I suggest the same Holocaust that the Israelis did and still are doing to the Palestinians, where over 3 million people were displaced and hunted out of their homes to the refugee camps all over the Middle East.

The German Holocaust lasted for five years, this one started 30 years ago and is still running. One problem may face NBC doing such a sequel that few companies who believe in human rights will sponsor it.

ALI R. AL-BADER.
Kuwait.

Writ of Woe

The egalitarian Jimmy Carter laments that "90 per cent of our lawyers serve 10 per cent of our people." Woe is me. That means I must be in the other miserable 90 per cent of the people getting only 10 per cent of the legal help. Maybe I should bump off my mother-in-law and hire a lawyer to help even them out.

It's not just the lawyers. Jimmy really must do something about the inequities in the funeral business. Doesn't he realize that 100 per cent of our undertakers serve only 2 per cent of our people?

JAMES O. S. HUNTINGTON.
Paris.

Freedom Misunderstood

The Disappointment Of a Soviet Exile

By Leopold Unger

BRUSSELS.—For astrophysicist Kondrakievich Lioubarsky there is a similarity between the planet Mars and the Gulag Archipelago: the relative silence that surrounds them.

And Mr. Lioubarsky, who was expelled from the Soviet Union last year, is intimately familiar with both areas. He gave vent to his disappointment in a recent interview.

Lioubarsky—You've asked how I feel about the West after a few months here. Well, I don't want to shock you, but I'm disappointed... You don't know how to take advantage of your freedom here. You refuse to understand the world. We, in the Soviet Union, we are prisoners of the police, and it is tragic, but it is logical.

You, in the West, you are prisoners of your own misunderstandings. It is just as tragic, but it is also absurd.

Unger—What misunderstandings? L—Well, for example, can you go on living as you do while accepting exceptions in the rights of man anywhere? You refuse to accept the fact that you live on a small island of democracy completely enclosed by an ocean of totalitarianism. And you refuse to understand that any abandonment of the struggle for human rights leads to slavery.

[Mr. Lioubarsky, 44, was a member of the Soviet team behind the exploration of Mars.]

[Accused in October, 1972, of having "kept, copied and disseminated anti-Soviet literature," particularly Alexander Solzhenitsyn's "Gulag Archipelago," he was sentenced to five years in a strict forced labor camp. Released in January of last year, he was relegated to his home, but did not give up his dissident activities.]

[Following the arrest of Alexander Ginzburg, Mr. Lioubarsky and two other dissidents took over the management of the fund for political prisoners set up by Mr. Solzhenitsyn with the royalties from "The Gulag Archipelago." That was too much for the regime. In October of last year, Mr. Lioubarsky and his family were expelled from the Soviet Union.]

U—Why Ginzburg?

L—Because he is the least protected. There has been less publicity on the Ginzburg case in the West than on the others.

U—Some people in the West believe that such an attitude would lead to the end of detente and a resumption of the cold war.

L—No one in the world more sincerely desires detente than the Soviet dissidents. But the meaning of the term must be made completely clear. Despite the Belgrade conference, two members of the Soviet committee for the control of the application of the Helsinki agreement are in prison. And, of course, there are those, like me, who have been "lucky" enough to be expelled.

U—Nevertheless, the KGB did not initiate any new trials during the Belgrade conference.

L—And after Belgrade? It is possible that President Carter's personal interest may ease the fate of Anatoli Shcharansky, or that some spectacular action by U.S. and British lawyers and intellectuals may help Yuri Orlov to live through the Gulag. But who will help the others, and particularly Alexander Ginzburg, who managed the Solzhenitsyn fund in the Soviet Union? He will be put on trial and his sentence, you will see, will be harsh and exemplary.

U—Why Ginzburg?

L—My situation is like something out of Kafka, but that is fairly typical for a political exile. Although I am Russian, I left the Soviet Union officially to go to Israel (the only destination tolerated by the KGB); I sent my books (2,000 books, my only wealth) to the United States. I live in Vienna but will finally settle in Munich, where I have been named to a post at the Max Planck Institute. I preferred Munich to the three offers from U.S. institutions because I want to stay in Europe, close to our problems. So much remains to be done.

U—On the planet Mars?

L—No, on the Gulag Archipelago. Contrary to what some in the West believe, the recent wave of violence in the Soviet Union did not succeed in liquidating the dissident movement.

More than 100,000 Jews have been able to emigrate. Thousands of Volga Germans have been able to leave for West Germany. All that has been made possible, not because the Soviet regime has become more democratic, but because it has become weaker. And it has become weaker because Russians are now better informed than before, because the Russians are beginning to wake up to the world.

Millions of persons in the Soviet Union listen to Western radios, through which they learn what is going on in their own country and what the Western world thinks about it.

We are very grateful for what the Western press and public opinion have done for us. And the reply from the depths of the Gulag is this: Publicity is the strongest weapon against totalitarianism; radio and television beams pierce the thickest wall. And don't forget, when you stand up for human rights in the Soviet Union, you stand up for your own beliefs. And you are protecting your own future.

U—Does this signify the end of the monolithic aspect of the regime?

L—Not yet, of course. But it does indicate the end of the myth that this monolithic structure is made to last forever. It is a much more fragile structure than you would suppose. And if you would listen to what is taking place in the satellite countries, you would almost hear the cracks forming in the monolith. But then, you have to listen...

U—You believe that we do not want to listen. Why then has Presi-

Deauville Seasons Opens With Gala and Fashion

By Hébe Dorscy

DEAUVILLE, May 15 (IHT)—Jean-Louis Scherrer opened his 13th boutique here with a showing of his collection at a gala that also kicked off the Deauville season.

Mr. Scherrer, whose hand is getting stronger all the time, is also planning to open in Zurich, Geneva and add two more boutiques to the four he already has in Japan.

His new boutique, in an ideal location facing the casino, is operated, as are most of them, on a franchising basis. Done and run with local funds, it is decorated and supplied with Scherrer's taste and merchandise. This time, he simply changed the facade of a small, turn-of-the-century house with clean-cut and steel-rimmed windows and did the inside in brown, steel and mirrors, to conform with the other Scherrer boutiques.

The pretty, suntanned blonde who presided over the Deauville gala Saturday was the city's mayor, Anne d'Ornano, who succeeded her husband, Michel, in March, 1977, after the latter tried running for Paris's mayoralty and lost to Jacques Chirac.

"I never go to that kind of function," Mrs. d'Ornano said. "Otherwise, it would be endless." But the Scherrers happen to be close friends.

Pentecost weekend traditionally marks the start of the Deauville season and is also the time of year when Parisians open their country houses. But Mrs. d'Ornano said: "Things are changing. The season is not as confined as it used to be. We try to have something going on all the time, such as festivals, congresses, etc. One of my major problems," she added, "is to keep a city of a few thousand—that swells tenfold during the tourist season—alive all year round."

Gala Dinner

A few years ago, the d'Ornans were instrumental in prolonging the Deauville season by a week with a gala dinner held on the night of the last race and the last weekend in August. "It used to be chic to leave Deauville right after the last race," Mrs. d'Ornano said.

"People even took their luggage along with them to the races in order to leave faster. When we started the ball, that extended the season by a full week. Then the American Film Festival created a few years ago, also kept things alive until Sept. 15."

Deauville had its heyday during the '20s when the famous *planches*, a several-mile-long boardwalk along the sea for feet that could not bear walking on sand, were built. The beach, with its cluster of colorful tents and its rendezvous, Le Bar



Anne d'Ornano and Jean-Louis Scherrer.

along that stretch of Normandy coast. "All that region was going downhill," she said. "Now, with Trouville and also nearby Cabourg, which was taken over recently by Bruno Coquatrix [who owns the Olympia Theater in Paris], I hope we can have the beginning of something like the Côte d'Azur."

The arrival of Mrs. Tsutsumi is a bonus for the region in more ways than one. A heavy gambler, she has become an abutte of Deauville Casino, since being the owner, she cannot play at her own.

Another heavy gambler is Françoise Sagan, who reportedly won her house near Honfleur with her casino earnings. The house, a big rambling Normandy construction, set in lawns and woods, has a swimming pool and a dance ring as well. The latter was built by a tenant whose wife was paralyzed. While she lay in bed upstairs, he had the dance floor built and reportedly danced all by himself and in black tie. So yesterday Miss Sagan put on her record player and had a *the dansant* for a group of friends who included designer Jacques Delahaye, journalist Peggy Roche, the Scherrers and her own 14-year-old son, Denis.

One last note on Deauville. It may have a synagogue.

That's the way it should be," said Mrs. Tsutsumi, who is trying to get something started again

"Alain de Rothschild asked me for it," Mrs. d'Ornano said. "So I'm going to lend a locale to the Jewish community on a trial basis for this summer. If it works out, they might then want to buy land and build a synagogue."

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BUSINESS

INTERNATIONAL Herald Tribune

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PARIS, TUESDAY, MAY 16, 1978

FINANCE

Page 9

Britain Posts Record Surpluses**April Data Held 'Exceptional'**

From Wire Dispatches
LONDON, May 15—Britain today announced record surpluses, far exceeding most expectations, on its trade and current-account balances for April.

The country's visible trade surplus was a record £236 million last month, compared with a revised deficit of £270 million in March and a £146-million deficit, a year earlier. The Department of Trade said: "The current account was in surplus by a record £336 million against a £170 million deficit a month earlier and an £18-million surplus a year earlier."

A government spokesman said the surplus was "exceptional." A sharp fall in imports and a rise in exports, boosted by precious stone

shipments, was largely responsible for the turnaround from March's deficit. Exports totaled £3,004 billion—the first monthly figure above £3 billion—up from £2.83 billion in March and £2.649 billion a year earlier. Imports fell to £2,768 billion, compared with £3.1 billion in March and £2,795 billion in April 1977.

In volume terms, exports rose 4 percent last month, while imports contracted by a substantial 12 percent.

Invisible trade, including such items as insurance, banking and

McDonnell Douglas Seeks Partnership With British

NEW YORK, May 15 (NYT)—McDonnell Douglas has proposed a full partnership with British Aerospace on a plane called the "Advance-Technology Medium-Range Transport," which will directly rival the new Boeing 767. In addition, McDonnell has offered to assist the British in marketing the proposed HS-146, which seats 70 to 100, and to eventually work on a second-generation supersonic airliner.

Right now McDonnell seems to have an edge on its two U.S. rivals, Boeing and Lockheed, for the British partnership, but the Europeans are not sitting idly by. Lord Beswick, chairman of British Aerospace, has told the U.S. concerns of being so preoccupied with negotiations with the French in recent months that he has not been able to talk.

Boeing, Lockheed and McDonnell are not without their problems, to be sure. But their quest for this partnership would, on the face of it, appear to be an incongruous situation.

The aircraft the three companies are talking to London about are of the short-range variety, up to about 1,500 miles, perfect for the European market. Their chances of selling that market, however, are problematic—European-built competitive aircraft benefit from special government financing, unlike U.S.-made aircraft.

British Skittish

To the British, a partnership with a U.S. giant would seemingly provide much needed work for British Aerospace and put that company on the road to profits. But the British have been skittish, to the dismay of the U.S. companies.

In fact, London may well let political considerations outweigh practical matters. The British are under pressure to form a partnership with the European consortium Airbus Industrie, led by the French and West Germans, and they may wish to be seen as a genuinely European nation. As the consortium has pointed out, Britain's participation is important to creating a strong European aircraft industry, essential to a strong European military defense. And there is some substantial feeling in London that if the British go European, they will be part of a long-term, ongoing relationship, whereas a partnership with a U.S. company on a particular project might well be simply a one-shot arrangement.

All parties to these maneuverings are very much aware, the airlines want quieter, more fuel-efficient planes to replace their generally aging fleets. Each of the rival manufacturers intends to meet these airline needs but only Boeing has the financial muscle to alone build a series of new aircraft. But even for this company, costs will be a factor. Investment expenditures are expected to range from \$1-to-\$2 billion.

The company's first quarter net income rose 60 percent to \$45.2 million on sales that gained 35 percent to \$1.02 billion. Boeing's chairman, T.A. Wilson, predicts sales for all of this year will be more than \$1 billion above 1977's \$5 billion.

Meanwhile, Lockheed has forged a good relationship with the British through use of Rolls-Royce engines on its TriStar L-1011 planes and

Company Reports

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| American Stores | | |
|-----------------|----------|----------|
| 4th Quarter | 974.50 | 878.70 |
| Revenue..... | 9.65 | 6.55 |
| Profits..... | 1.82 | 1.24 |
| Year | | |
| Revenue..... | 3,730.00 | 3,460.00 |
| Profits..... | 26.60 | 25.80 |
| Per Share..... | 5.03 | 4.91 |
| Carrier Corp | | |
| 2nd Quarter | 583.30 | 339.40 |
| Revenue..... | 29.10 | 15.20 |
| Profits..... | 1.04 | 0.60 |
| 6 months | | |
| Revenue..... | 944.80 | 589.20 |
| Profits..... | 40.20 | 20.90 |
| Per Share..... | 1.44 | 0.83 |

Brazil Wheat Import Seen Rising in 1978

WASHINGTON, May 15 (AP-DJ)—Brazil may be forced to import as much as 4.5 million tons of wheat this year to help make up for its disappointing 1977 harvest, the U.S. Agriculture Department said.

Brazil imported about 2.8 million tons of wheat last year. The agency said that U.S. wheat imports may rise to three million tons, more than Brazil bought from all countries in 1977. "But the high level of purchases of U.S. wheat in 1978 can be taken as no trend setter, since in the past Brazil's imports of U.S. wheat have fluctuated widely," the report said.

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PARIS, TUESDAY, MAY 16, 1978

News Analysis**Carter Yields to Pressure Over Tax Cuts**

By Clyde H. Farnsworth

WASHINGTON, May 15 (NYT)—

The Carter administration was bowing to the inevitable in scaling back and postponing a tax cut that was intended to keep the economy from spinning into a recession this year. Congressional budget and tax-writing committees had already acted to trim the package.

One of the forces in the background was the chairman of the Federal Reserve Board, William Miller, playing an unusually strong role in his appeal for fiscal restraint.

But there were other reasons for the administration's second major change in tax policy in 13 months. As was the case with the spiking of the \$50 rebate last year, the economy was simply performing too well for additional fiscal stimulus.

This year, the reasons are mystifying. Output figures are too weak to justify the employment gains, say government economists. Employment has risen and unemployment has fallen—against a declining growth rate—but amounts larger than almost anyone expected a few months ago.

A drop in imports of fuel and semi-manufactured goods, plus so-called "erratic" items, accounted for about two-thirds of the \$32-billion decline in imports, the government estimated. Erratic items include precious stones—which account for 3.25 percentage points of the 4 percent increase in export volumeoil installations, ships and aircraft. Other imports also showed declines "pretty well across the board," the spokesman added.

British's oil trade deficit narrowed for the fourth successive month to £115 million from £208 million in March and December's record £275-million deficit.

Although crude exports actually fell last month, imports fell by £62 million to £285 million.

Retail sales volume index for April was 93.8 million employed last month—4 million more than in April 1977. Never before in peacetime have there been such employment gains in a 12-month period.

Joblessness fell to 6 percent, a 9-month low. This is below even the 6.2 percent the administration projected for the end of this year. The gross national product rose by 7.5 percent, 6.2 percent, 5.1 percent and 3.8 percent in the four quarters

of last year and dropped by 0.6 percent in this year's first quarter, according to the preliminary data.

"What we've got now is the big puzzle in the behavior of the economy that I've seen in years," says Arthur Okun, chairman of the Council of Economic Advisors in the Johnson administration and now a Brookings Institution economist.

Drop in Joblessness

Part of the explanation, says Sar Levitan, of George Washington University who heads a national commission on employment and unemployment statistics, is the effectiveness of job creation programs.

For policy reasons, he says, the government has a tendency to underestimate the economy's strength and exaggerate its weakness. It is politically more popular, he says, to stimulate than to cut back.

Specifically focused programs provide little clue, however, to the correlation between employment and output gains.

The economy is much closer to capacity ceilings that the administration has assumed," says Norman Robertson, senior vice president and chief economist of the Mellon Bank in Pittsburgh.

Commerce Department figures show that order backlog has expanded substantially. A sharp upturn in ordering began about last September. In the six months since then, new orders have risen at an annual rate of 31 percent, compared with 4 percent in the previous six months. Unfilled orders have increased by 26 percent, according to 6 percent productivity gains.

Companies have been hiring more to offset declining growth in output per worker, according to these economists. Largely reflecting the coal strike and bad weather conditions, productivity fell in the first quarter.

Though no one fully understands just why it has happened, the employment gains give the administration greater latitude to deal with inflation. Even George Meany, president of the AFL-CIO, now grudgingly admits that inflation "at this moment, on this day, is the big 'second quarter' step" in fiscal policy.

The decision on the tax proposal, Mr. Miller asserted, would not affect current Fed policy. The third quarter should bring a more balanced position in the monetary structure, he felt, which would allow the Fed to consider an easier money policy.

*© Los Angeles Times***Miller Sees Fed's Policies Unchanged in 2d Quarter**

By William J. Eaton

HOT SPRINGS, Va., May 15—William Miller, Federal Reserve chairman, noting that President Carter's action to trim and delay a proposed tax cut would reduce pressure for higher interest rates later this year, said the Fed was likely to stick by its tighter money policy during an "unusually strong" second quarter.

Mr. Miller made the remarks at a news conference here over the weekend after telling the Business Council that "things are looking up for the

weekend" effective Jan. 1, instead of \$25 billion starting Oct. 1, as the president had first requested. Since the change would bring down the federal deficit in the next fiscal year by an estimated \$10 billion, he said, it was a "constructive step" in fiscal policy.

The decision on the tax proposal, Mr. Miller asserted, would not affect current Fed policy. The third quarter should bring a more balanced position in the monetary structure, he felt, which would allow the Fed to consider an easier money policy.

*© Los Angeles Times***U.S. to Monitor Banks' Foreign Loans**

NEW YORK, May 15 (AP-DJ)—U.S. bank regulators, responding to continued concern about the soundness of international lending by U.S. banks, have agreed on the outline of a new supervisory approach to foreign lending.

The new system, as described in a publication issued today by the Federal Reserve Bank of New York, is designed to spotlight unusually large concentrations of credit in foreign lending. It is also aimed at improving banks' internal procedures for monitoring and controlling their international-loan exposure.

The system, however, will not establish uniform procedures that banks must follow in deciding whether to make a foreign loan.

The regulators also agreed it would not be wise for them to assign credit ratings to countries or establish a list of high-risk countries that banks must avoid.

"Actions of bank supervisors are not intended to result in the channelling of credit flows toward or away from specific countries or to lead to large disruptions of credit flows," the report says. "In any case, there is no reason to believe that assessments about countries by bank supervisors would always be

better than those of commercial banks."

Ronald Gray, a vice president of the New York Fed, said in an interview that the new system is comparable to one that is already being used by the New York Fed on a trial basis. He added that implementation of the program throughout the entire Federal Reserve system is awaiting final approval by the Board of Governors.

The data to be compiled under the new approach would enable bank examiners to evaluate the amounts, locations, maturities and types of claims a bank has abroad.

The new system would also make it easier to compare the exposure levels of a bank with its capital, suggest areas for further analysis, and bring greater uniformity to the data-collection process.

"A broad measure of agreement" on the essentials of the system has been reached among the Fed, the Controller of the Currency and the Federal Deposit Insurance Corp.

The restructured supervisory approach "should be capable of uniform application" throughout the banking system, the article says.

Details of the new supervisory approach "are still being developed and discussions among the federal supervisory agencies are continuing," the Fed article says. "There is every reason to hope that before long the technical groundwork will be completed and a new approach fully implemented."

Stocks Gain After Late NYSE Rally Dow Rises 6.06 In Active Trade

NEW YORK, May 15 (Reuters)—Prices on the New York Stock Exchange staged a late rally to close higher in active trading, overcomes profit-taking that had depressed prices most of the day.

Analysts said the gain was impressive in the face of further credit tightening widely expected in Wall Street to emanate from tomorrow's Federal Reserve Open Market Committee meeting.

The Dow Jones industrial average, down earlier in the day and up only 0.34 at 3 p.m., finished at 846.76, up 6.06. Advances led declines 797-to-668 and volume fell to 33.89 million shares from 46.6 million shares Friday.

Prices were higher on the American Telephone & Telegraph, which gained 3% to 62 1/2, IBM 3% to 266 1/2, Textron 2% to 100 1/2, and Bausch & Lomb 1 1/4 to 51 1/2.

Sears Roebuck was most active and off 1 1/4 to 24 1/4 after it estimated first-quarter earnings will decline from year-earlier levels.

U.S. auto makers' shares rose after they reported a 9.6-percent rise in early-May sales. Active General Motors added 1% to 63 1/2, Ford 1% to 50 1/2 and Chrysler 1% to 11 1/4.

In Chicago, wheat and corn closed substantially higher, oats higher and soybeans irregularly higher on the Board of Trade.

Japan's Steel Output Up

TOKYO, May 15 (Reuters)—Japan's crude steel production in April rose 1.2 percent to 8.37 million tons, up from 8.27 million tons in March, but fell 2.6 from 8.59 million tons in April last year, according to the Japan Iron and Steel Federation. Output of rolled-steel products in April fell 1 percent to 6.3 million tons.

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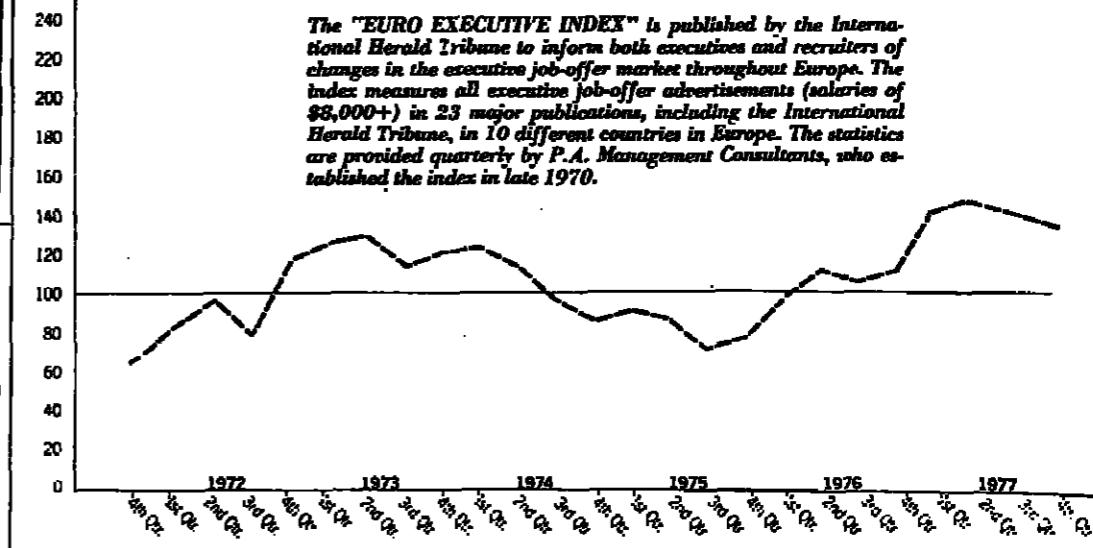
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Cubs Beat Dodgers in 15 Innings

LOS ANGELES, May 15 (AP)—Dave Kingman hit three home runs, his third breaking a 7-7 tie in the 15th inning, and knocked in eight runs to lead the Chicago Cubs to a 10-7 victory over the Los Angeles Dodgers yesterday.

Kingman's first homer, in the sixth inning, was a two-run shot off Los Angeles starter Doug Rau. His second, a 430-foot drive, came with two outs in the top of the ninth to tie the game after the Dodgers had scored twice in the bottom of the eighth.

Giants 5-4, Cardinals 4-3

At San Francisco, Terry Whitfield, whose home run with two outs in the bottom of the 12th inning won the first game, doubled

and scored the game-winner in the 10th inning of the nightcap as San Francisco Giants completed a 5-4, 4-3, doubleheader sweep of St. Louis.

Pirates 1, Padres 0

At Montreal, Rod Gilbreath doubled home Rowland Office with the winning run in the seventh inning to give Atlanta a 2-1 victory over Montreal behind the eight-hit pitching of Dick Ruthven. With the score tied, 1-1, Cito Gaston singled off loser Rudy May to open the seventh inning and Office, sent in as a pinch runner, was sacrificed to second base by Biff Pocoroba. Gilbreath followed with his double to score Office.

Orioles 3, Rangers 2

At Arlington, Texas, Lee May's two-run homer with one out in the top of the ninth inning rallied Baltimore to a 3-2 victory over Texas. May drilled his eighth homer into the left-field stands after Ken Singleton singled and Eddie Murray hit into a force out.

Royals 10, Yankees 9

At Kansas City, Amos Otis hit the game's 10th double after failing to sacrifice in the ninth inning, scoring Clint Hurdle and giving Kansas City a 10-9 victory over New York. Hurdle, who drove in three runs, began the uprising with a double off Ken Clay, the third Yankee pitcher. Darrell Porter, who homered and also drove in three runs, was given an intentional walk before Otis delivered his winning hit.

Angels 4, Indians 3

At Cleveland, California scored three runs on one hit in the eighth inning. Tony Sola's two-run pinch single and Frank Tanana won his sixth game as the Angels scored a 4-3 victory over Cleveland. Tanana (6-1) allowed seven hits in 8½ innings and blanked the Indians until the ninth, when he needed help from Paul Hartzell.

Brewers 5, White Sox 4

At Chicago, Don Money drove in two runs with a pinch double in the seventh inning to lift Milwaukee to victory over Chicago.

Red Sox 6, Twins 2

At Bloomington, Minn., Fred Lynn hit a three-run homer and Carlton Fisk added another and a run-scoring double to power Boston to a 6-2 triumph over Minnesota and their 10th victory in 11 games. Lynn's fifth-inning home came on the first pitch by reliever Mac Stace after the Red Sox had chased starter Paul Thormodsgard on a bunt single by Jerry Remm, a single by Carl Yastrzemski and Fisk's RBI double.

Tigers 15, A's 0

At Detroit, Bob Sykes fired his second consecutive four-hit shutout and Jason Thompson, Lou Whitaker and Ron LeFlore drove in three runs each as Detroit defeated Oakland, 15-0, with a 20-hit attack.

Thompson singled in the opening inning off loser Pete Broberg (4-2)

after a double by Rusty Staub. His second RBI came on a sacrifice fly in the sixth off Rick Langford and the third on a homer in the seventh run off Dave Heaverlo after Staub led off with a home run.

Staub drove in another run later in the inning with a grounder.

Asians 15, A's 0

At Cleveland, Tom Seaver started the last 18 three behind Trevino, two behind Steve Melnyk and one behind Heard. Tread a triple bogey 7 at No. 5, the most treacherous of the Trinity River spread. But he salvaged a 68 and a tie for fourth with Melnyk, who shot a 70.

In their letters, some fans have suggested hypnotists and psychiatrists.

"But most of the letters were from people who knew their baseball. They had seen me on TV and they knew I was opening up too soon. They knew my delivery was different. Those letters were from all over—New York, California, Florida, everywhere. I appreciated them."

Trevino Captures Colonial by 4 Shots

FORT WORTH, Texas, May 15 (UPI)—Lee Trevino chipped in from off the green for a birdie, swept in with a sparkling 66 and won the \$200,000 Colonial National Invitation yesterday with a record 268.

"A fantastic week," said Trevino of his 12-under-par performance and its \$40,000 reward. "I love it."

Trevino abandoned his swash-buckling style to fire rounds of 66, 68, 68 and capture his second Colonial crown by four shots.

"I just kept jabbing away," he said. "I think I played it very smart."

Jerry Pate knifed through the pack with a closing 5-under-par 65 to tie Jerry Heard at 272 for second

place. The consolation prize was \$18,000 for each.

Heard, the only serious challenger in the stretch run, slipped in with a 68 after a bizarre turn of events at the 14th and 15th holes.

The turning point was the 14th," said Trevino, who was nursing a two-shot lead, flirting with a bogey-five and looking at Heard's second shot resting 10 feet from the cup.

Everything was up for grabs until the 14th hole," he said. "It looked like Heard was going to get even and instead he went three down."

Trevino holed out from 30 feet and Heard, the 1972 Colonial champion, missed his 10-footer.

Have Wins French Open

LA BAULE, France, May 15 (Reuters)—Dale Have of South Africa won the French Open here today with a closing round of 67 for a 19-under-par 269. He finished 11 strokes ahead of Severiano Ballesteros of Spain, who had 73 today.

Sunday's Baseball Line Scores

AMERICAN LEAGUE

| Team | W | L | GF | GA | EP | PF | GP |
|------------------|---|---|----|----|----|----|----|
| Cosmos | 7 | 1 | 17 | 17 | 14 | 57 | 1 |
| Washington | 7 | 1 | 17 | 17 | 14 | 57 | 1 |
| Rochester | 2 | 5 | 8 | 12 | 8 | 20 | 5 |
| Toronto | 2 | 5 | 6 | 9 | 6 | 14 | 5 |
| Calgary Division | 5 | 3 | 15 | 10 | 14 | 44 | 5 |
| Dallas | 5 | 4 | 12 | 13 | 12 | 34 | 4 |
| Tulsa | 5 | 4 | 12 | 13 | 12 | 34 | 4 |
| Minnesota | 4 | 3 | 9 | 9 | 9 | 34 | 3 |
| Colorado | 3 | 6 | 12 | 18 | 12 | 34 | 3 |
| Eastern Division | 7 | 2 | 16 | 8 | 15 | 57 | 2 |
| Vancouver | 6 | 4 | 15 | 14 | 12 | 57 | 2 |
| Portland | 5 | 4 | 15 | 14 | 12 | 57 | 2 |
| Seattle | 5 | 4 | 14 | 10 | 14 | 44 | 2 |
| Los Angeles | 3 | 5 | 11 | 13 | 12 | 34 | 2 |

AMERICAN CONFERENCE

| Team | W | L | GF | GA | EP | PF | GP |
|------------------|---|---|----|----|----|----|----|
| Tempe | 4 | 4 | 15 | 16 | 14 | 38 | 2 |
| Fort Lauderdale | 4 | 4 | 12 | 14 | 12 | 36 | 2 |
| New England | 4 | 2 | 11 | 4 | 9 | 32 | 1 |
| Philadelphia | 5 | 3 | 16 | 12 | 12 | 36 | 1 |
| Detroit | 4 | 4 | 9 | 7 | 6 | 33 | 1 |
| Houston | 3 | 5 | 7 | 15 | 9 | 33 | 1 |
| Vermont | 0 | 8 | 7 | 10 | 7 | 7 | 1 |
| Chicago | 0 | 8 | 4 | 12 | 7 | 4 | 1 |
| Midwest Division | 7 | 3 | 17 | 12 | 15 | 57 | 2 |
| California | 5 | 4 | 12 | 14 | 12 | 57 | 2 |
| San Diego | 4 | 5 | 12 | 14 | 11 | 55 | 2 |
| San Jose | 4 | 5 | 12 | 14 | 11 | 55 | 2 |
| Seattle | 4 | 4 | 10 | 14 | 10 | 55 | 2 |

NATIONAL CONFERENCE

| Team | W | L | GF | GA | EP | PF | GP |
|------------------|---|---|----|----|----|----|----|
| Cosmos | 7 | 1 | 17 | 17 | 14 | 57 | 1 |
| Washington | 7 | 1 | 17 | 17 | 14 | 57 | 1 |
| Rochester | 2 | 5 | 8 | 12 | 8 | 20 | 5 |
| Toronto | 2 | 5 | 6 | 9 | 6 | 14 | 5 |
| Calgary Division | 5 | 3 | 15 | 10 | 14 | 44 | 5 |
| Dallas | 5 | 4 | 12 | 13 | 12 | 34 | 4 |
| Tulsa | 5 | 4 | 12 | 13 | 12 | 34 | 4 |
| Minnesota | 4 | 3 | 9 | 9 | 9 | 34 | 3 |
| Colorado | 3 | 6 | 12 | 18 | 12 | 34 | 3 |
| Eastern Division | 7 | 2 | 16 | 8 | 15 | 57 | 2 |
| Vancouver | 6 | 4 | 15 | 14 | 12 | 57 | 2 |
| Portland | 5 | 4 | 15 | 14 | 12 | 57 | 2 |
| Seattle | 5 | 4 | 14 | 10 | 14 | 44 | 2 |
| Los Angeles | 3 | 5 | 11 | 13 | 12 | 34 | 2 |

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| Team | W | L | GF | GA | EP | PF | GP |
|------------------|---|---|----|----|----|----|----|
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| Fort Lauderdale | 4 | 4 | 12 | 14 | 12 | 36 | 2 |
| New England | 4 | 2 | 11 | 4 | 9 | 32 | 1 |
| Philadelphia | 5 | 3 | 16 | 12 | 12 | 36 | 1 |
| Detroit | 4 | 4 | 9 | 7 | 6 | 33 | 1 |
| Houston | 3 | 5 | 7 | 15 | 9 | 33 | 1 |
| Vermont | 0 | 8 | 7 | 10 | 7 | 7 | 1 |
| Chicago | 0 | 8 | 4 | 12 | 7 | 4 | 1 |
| Midwest Division | 7 | 3 | 17 | 12 | 15 | 57 | 2 |
| California | 5 | 4 | 12 | 14 | 12 | 57 | 2 |
| San Diego | 4 | 5 | 12 | 14 | 11 | 55 | 2 |
| San Jose | 4 | 5 | 12 | 14 | 11 | 55 | 2 |
| Seattle | 4 | 4 | 10 | 14 | 10 | 55 | 2 |

NATIONAL CONFERENCE

| Team | W | L | GF | GA | EP | PF | GP |
|------------------|---|---|----|----|----|----|----|
| Tempe | 4 | 4 | 15 | 16 | 14 | 38 | 2 |
| Fort Lauderdale | 4 | 4 | 12 | 14 | 12 | 36 | 2 |
| New England | 4 | 2 | 11 | 4 | 9 | 32 | 1 |
| Philadelphia | 5 | 3 | 16 | 12 | 12 | 36 | 1 |
| Detroit | 4 | 4 | 9 | 7 | 6 | 33 | 1 |
| Houston | 3 | 5 | 7 | 15 | 9 | 33 | 1 |
| Vermont | 0 | 8 | 7 | 10 | 7 | 7 | 1 |
| Chicago | 0 | 8 | 4 | 12 | 7 | 4 | 1 |
| Midwest Division | 7 | 3 | 17 | 12 | 15 | 57 | 2 |
| California | 5 | 4 | 12 | 14 | 12 | 57 | 2 |
| San Diego | 4 | 5 | 12 | 14 | 11 | 55 | 2 |
| San Jose | 4 | 5 | 12 | 14 | 11 | 55 | 2 |
| Seattle | 4 | 4 | 10 | 14 | 10 | 55 | 2 |

AMERICAN CONFERENCE

| Team | W | L | GF | GA | EP | PF | GP |
|------------------|---|---|----|----|----|----|----|
| Tempe | 4 | 4 | 15 | 16 | 14 | 38 | 2 |
| Fort Lauderdale | 4 | 4 | 12 | 14 | 12 | 36 | 2 |
| New England | 4 | 2 | 11 | 4 | 9 | 32 | 1 |
| Philadelphia | 5 | 3 | 16 | 12 | 12 | 36 | 1 |
| Detroit | 4 | 4 | 9 | 7 | 6 | 33 | 1 |
| Houston | 3 | 5 | 7 | 15 | 9 | 33 | 1 |
| Vermont | 0 | 8 | 7 | 10 | 7 | 7 | 1 |
| Chicago | 0 | 8 | 4 | 12 | 7 | 4 | 1 |
| Midwest Division | 7 | 3 | 17 | 12 | 15 | 57 | 2 |
| California | 5 | 4 | 12 | 14 | 12 | 57 | 2 |
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Art Buchwald

Security Check

WASHINGTON—I received a call the other day from the State Department saying they were doing a security check on Ambassador Averell Harriman, who is being considered for a five-week appointment as a member of the UN Conference on Disarmament. Harriman served seven presidents in every sensitive position this country has ever dealt with but still had to be cleared by State for the job.

At first I thought it was a joke so I called back to see if they were serious. It was. The man in charge was not there so I never had an opportunity to give my opinion as to whether Harriman was a loyal American or not. The next day I went out of town so I couldn't get back to the security man but the time lag got me to thinking.

Should I go out on a limb and say that as far as I know Harriman could be trusted, or waffle on the issue in case there wasn't a shadow of a doubt? If I vouched for the former governor of New York and they suddenly found a bunch of microfilms in his pumpkin patch, it could hurt me when it was my turn to be considered for an ambassadorship to a UNesco conference in Paris.

If you look carefully at Harriman's record, there is a lot there to make you suspicious. During World War II he was ambassador to the Soviet Union and knew Josef Stalin personally. That alone should not compromise somebody, but later he also turned up at Yalta with Roosevelt, Churchill and Stalin.

* * *

Then there was the Marshall Plan which Harriman headed up right after the war. It's true he did get Europe back on its feet, but this

Swiss Demonstrate

LUCENS, Switzerland, May 15 (UPI)—About 4,000 persons held a demonstration march today to protest government plans to convert a nuclear energy plant here into a radioactive waste depot.

ANNOUNCEMENTS

REMEMBER THE CRASH OF 1929? Writers working on book wishes to interview people who were directly or indirectly affected by the Wall Street crash of 1929. If you have personal stories or fond memories of the re-collections of men or documents relating to the event, Please write to Box 5175, Herald Tribune, New York.

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INTERNATIONAL
Herald Tribune

Published with The New York Times and The Washington Post

PARIS, MAY, 1978

Focus on

South Korea—1978

Booming Exports and Gains in Diplomacy

Foreign Policy Issues Overshadow Domestic

By René Lebowitz

SEOUL (IHT)—The diplomatic clouds hanging over South Korea have begun to show silver linings these past few months. The withdrawal of U.S. ground forces has had to be postponed; once powerful North Korea is experiencing troubles of its own; and relations with the Socialist bloc have been showing signs of improvement.

Had plans gone according to schedule, 6,000 U.S. servicemen would be packing their bags now as part of the plan to pull out 33,000 U.S. ground troops, 15,000 of whom are directly involved in patrolling the Demilitarized Zone north of Seoul.

The withdrawal of ground forces, more than any other issue, had succeeded in driving a wedge between Seoul and its No. 1 ally, the United States. But, in a twist of events that can only be termed ironic, President Jimmy Carter has had to postpone one of his most cherished campaign promises. Part of the troop withdrawal package was an agreement that departing U.S. forces would leave behind most of their equipment and that Washington would provide \$1.5 billion worth of sophisticated weaponry to beef up the South Korean Army. But the U.S. Congress has become so sensitive to any issue dealing with aid to Seoul—precisely because of U.S. Justice Department revelations alleging influence-buying by South Korean lobbyists—that the body refused to ratify legislation permitting the sales of arms.

An accord reached between Seoul and Washington last July, however, stipulated that troop withdrawals would be contingent on military equipment and a strengthening of U.S. air and naval forces in the area. Without congressional approval for the arms deal, President Carter had to postpone the whole package.

Guam Doctrine

Although troop withdrawal had been made an issue by President Carter, the policy of having America's Asian allies shoulder a greater proportion of their own defense costs had been clearly enunciated by former President Richard M. Nixon in his Guam Doctrine. Mr. Nixon's statement, made in 1970, was a reaction to America's long and fruitless involvement in Vietnam's civil war. It struck leaders not only in Seoul but in other Asian capitals as the first sign of isolationism in Washington. In a recent visit to the U.S. capital, Japanese Premier Takeo Fukuda added his voice to the chorus of Asian leaders who have expressed concern about American willingness and ability to defend allies in time of crisis.

For South Korea, a country facing a hostile neighbor to the north, the problem has been especially acute. It has been argued that keeping U.S. forces in Korea is expensive and dangerous. President Carter has alluded to Seoul's policy on human rights as yet another reason to withdraw ground forces. However, other U.S. observers have pointed out that the cost of maintaining a division in South Korea is considerably less than keeping the same troops in the United States. To these arguments have been added South Korean voices suggesting that withdrawing the troops would invite North Korea to make the assumption that it can go ahead with another invasion attempt.

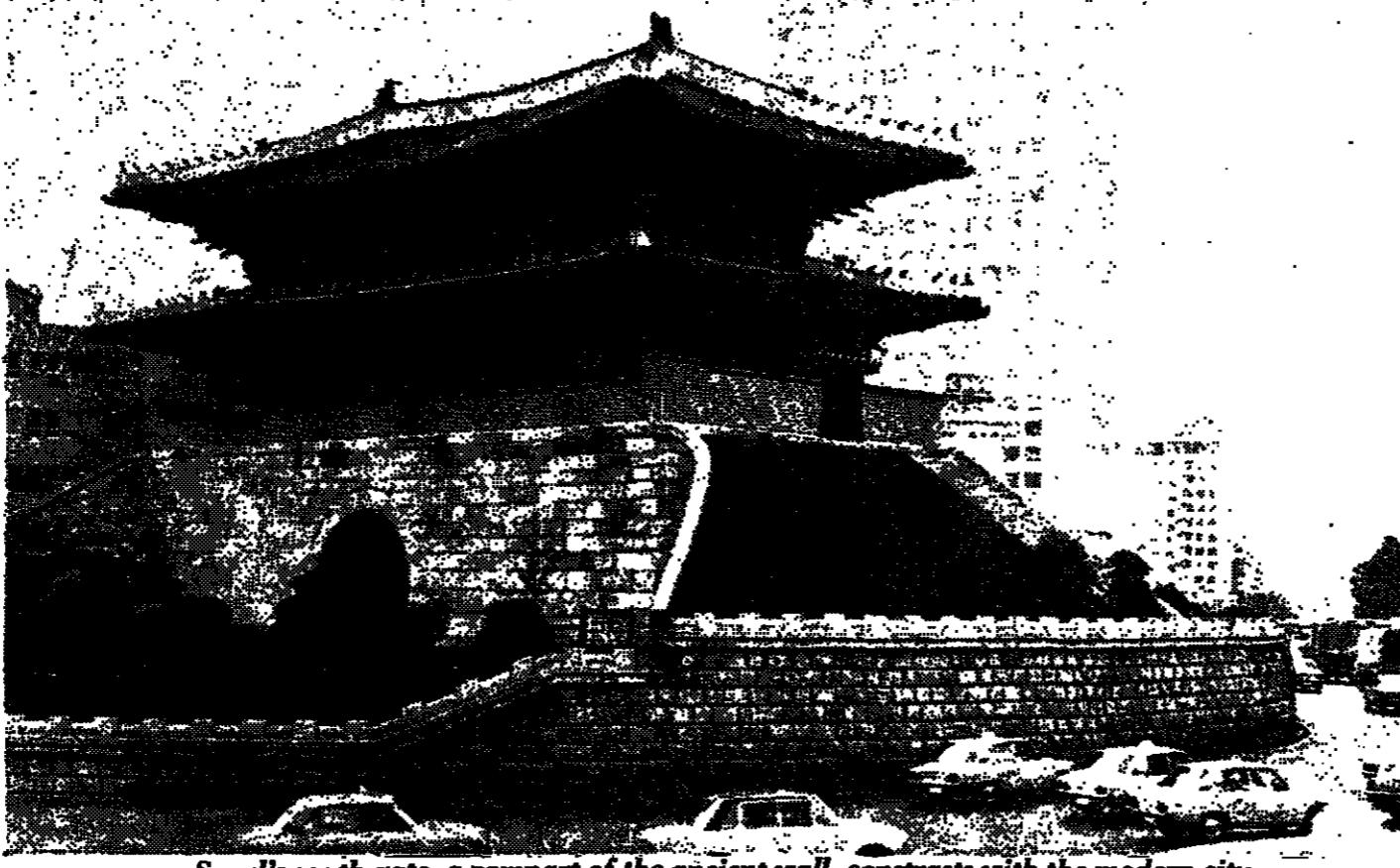
Finally, the advocates of American-style democracy may be the saddest to see the departure of U.S. troops. They point out that the announcement of U.S. intentions to leave the area in 1970 was followed by President Park Chung Hee's 1972 emergency decrees limiting personal freedoms and political activities; and they fear that the actual withdrawal may provoke a similar reaction.

Peace

President Park has said that peace is the most important element in South Korean foreign policy. It has been peace that has allowed the nation to build up its miraculously successful economy and it will be through economic strength, many feel, that the South will overwhelm the North. President Park has predicted that the South will be so strong both economically and militarily in the next four to five years that the North will no longer dare to attack.

For this reason, military analysts believe that the danger from the North has never been more apparent than it is now. The North enjoys military supremacy thanks to a strong air force and an army that is run along Stalinist lines. But Pyongyang is experiencing economic and political difficulties. North Korea has defaulted on foreign loans and a succession struggle seems to be causing divisions among President Kim Il Sung's

(Continued on Page 7)



Seoul's south gate, a rampart of the ancient wall, contrasts with the modern city.

Trade: The Need to Keep Imports Abreast of Exports

SEOUL (IHT)—The export boom that brought about South Korea's economic miracle of the 1970s was not the result of mere chance or wizardry—the nation's economists are perfectly aware of the patterns of growth of export-oriented countries. Already they are making plans to diversify South Korea's markets and upgrade the country's products.

Frozen Earnings

At the same time it froze for the next 10 months the \$1 billion in estimated earnings of South Korean construction firms operating abroad. These funds will be held by the central bank in foreign currencies, earning an interest computed at the LIBOR (London interbank offered rate) plus one-16th.

On the other hand, the government has authorized increases in wages. These include a 24-percent increase for employees of the country's largest textile companies, and a hopping 70-percent salary increase for bus drivers and female workers.

How this inflationary trend and rise in labor costs will eventually

lion—were up 28 percent over the same period a year ago. Letters of credit are also being accumulated at a corresponding rate of increase.

The invasion of foreign markets by South Korean textiles, shoes, wigs, electronic appliances and other light industrial items is continuing. However, the Commerce Industry Ministry announced in early April that the increase in income for the first three months of 1978 was attributable to the brisk performances of chemicals, steel and other products of heavy industry.

The Lion's Share

Light industrial products, which still make up the lion's share of South Korean exports, benefited from the sudden appreciation of the Japanese yen due to Japan's unusually high \$14-billion current accounts surplus. South Korean economists say they will do everything possible to spur imports to avoid following this particular pattern of Japanese success.

Foreign buyers who could no longer make a profit on expensive Japanese goods turned to Korean products. Items that benefited from the Korean won's peg to the depreciating U.S. dollar were predominantly textiles and footwear, as well as toys, musical instruments and various appliances.

However, Kim Jae Ik, the Stanford-educated head of the Economic Planning Board, is adamant on the need to keep imports abreast of exports. "We are going to have a current account deficit of about \$1 billion this year because we have to import," said Dr. Kim in an interview. "In the first place we cannot afford to have our trading partners see us only as exporters," he said. South Korea enjoyed a \$300,000 current account surplus in 1977.

But more pressing economic reasons for boosting imports have become apparent in the past year. The country's huge export earnings plus the remittances of 40,000 South Korean workers overseas have combined to swell the money supply, causing the inflation rate to climb above the 10-percent point. Foreign exchange holdings reached \$4 billion in 1977.

Cattle

"We need imports to stabilize domestic prices," Dr. Kim said. "We want our people to benefit immediately from our exports."

A recent example of this kind of thinking occurred when the South Koreans imported whole herds of cattle and tons of beef—commodities that nations such as Australia and New Zealand have been trying to sell to far richer Japan with very little success. The move to import beef and livestock was prompted by spiraling domestic prices in South Korea.

Dr. Kim predicted that South Korea's commodity exports for 1978 would be in the neighborhood of \$12.5 billion with imports \$1 billion above that figure.

In order to achieve this goal, the government has announced an import liberalization program. Already 87 items have been put on an automatic approval list, while 46 other categories will be tried on an ad hoc basis to be maintained unless excessive imports damage local industries. The latter group will include heavy-duty trucks, forklifts, refrigerators and television sets. The Commerce Industry Ministry estimated the liberalization program will not only result in an increase of imports by \$200 million but will also contribute to the upgrading of the quality of domestic products.

But, while imports are beginning to figure greatly in South Korea's foreign trade policy, exports are the "driving engines" of the nation's growth. Government plans call for an increase in horsepower, as well as a change in direction.

Already South Korean exports of textiles have encountered protectionist barriers in North America and the European Economic Community. Textile negotiations have

(Continued on Page 3)

where the interests of the big powers converge. Although they change their tactics periodically, the North Koreans have never ceased to pursue their goal of communizing the whole Korean peninsula by force.

The North Koreans are not just another Communist nation. They are different from the Communists of Japan, China, the Soviet Union and Eastern European countries. They are unpredictable, irrational and reckless.

Korea is faced with four dilemmas that color the practice of human rights. These are national survival; economic growth and income distribution; the conflict of an indigenous working system versus a big-power penetrated system; and the linkage between domestic and international politics.

The survival of the nation is the first and ultimate responsibility of the government. As Henry Kissinger rightly pointed out, "a world in which the survival of nations is at the mercy of others is a world of insecurity, instability and oppression." This problem is particularly acute and urgent in Korea because some restrictions are necessary for national survival, and they also

SEOUL (IHT)—It takes courage to be a dissident in South Korea. Government pressure has reduced the number of those willing to openly challenge official policy to a handful. Surveillance is thorough. Yet there are signs that the government is switching to subtler tactics following the bad publicity it received over its last major series of arrests of prominent dissidents in 1976.

Chun Kwan Woo, who agreed to the following interview with Ken Ishii for the IHT, is a highly respected Korean who was chief editorial writer for the newspaper Dong-a Ilbo until forced to resign in 1968 for his views. He said his phone was tapped, and that it was certain the authorities knew of the interview since an appointment had been made with him by telephone the day before to call at his suburban home.

Mr. Ishii—Where do you disagree with the government?

Mr. Chun—At present, on everything, from one to 10. About 10 years ago I wrote an article on foreign loans. The authorities viewed the article unfavorably, and I was compelled to resign as chief editorial writer for Dong-a Ilbo.

Switch to Subtler Tactics

not about the problems of the people (3) writing about income differences between the educated and lower classes is not allowed (4) critical stories on labor-management relations in big zaibatsu are banned (5) critical writings by intellectuals and others cannot be printed, neither can foreign reports critical of the government.

Q—Is there freedom of speech in Korea today?

A—The answer is not always black or white. But if one had to choose between the two, I would say no. There is freedom to write anything that pleases the authorities, but that kind of freedom existed even in ancient slave societies.

I was once called to testify in the trial of arrested Christian clergymen, and asked what it was specifically that I was prevented from writing about. I referred to the statement made by some 30 reporters of the newspaper Chosun Ilbo who were arrested three years ago. They listed these restrictions: (1) no criticism is allowed of government leaders like the KCIA (Korean Central Intelligence Agency), but it is possible to write anything about the opposition (2) it is possible to write about economic growth, but

would topple the government? Any government is subject to change when the time comes. The reasoning behind your question isn't valid unless you assume the present government should stay in power forever. This is a delicate issue in Korea—whether you are anti-government or anti-state. In many cases you can be against the government but support the state. Many patriots are anti-government. But authorities equate being anti-government with being anti-state.

Articles critical of government policy appear only in newspapers in Japan, or the Stars and Stripes (the U.S. military newspaper), or if it is a big story it is carried by American newspapers. Korean newspapers carry nothing. The dissident movement is isolated.

Q—What is the scope of the dissident movement?

A—We don't know ourselves. Those few in top government positions and big business are no doubt in favor of the present system. The vast majority who make up the rest of the people are either opposed, undecided, or afraid to speak their minds.

Q—If free elections were held, (Continued on Page 7)

Restrictions Necessary

no improvement in the lives of the people. This logic does not deny the inalienable nature of human rights; it merely raises the serious question of how to guarantee those rights under the given circumstances.

Throughout its long history, Korea was a unified country, even under Japanese colonial rule, but the end of the war brought with it the division of the country into ideologically opposed camps against the will of the people.

This means the disruption of the once complementary economic structure of the South and the North. All heavy industries were developed in the North because of its abundant natural resources, while light industries and farming were concentrated in the South. The South Korean economy was further crippled when Kim Il Sung cut off electric power to the South.

Hot War

The division of the country also brought with it social and political instability and tensions between the two Koreas. When the cold war

where the interests of the big powers converge. Although they change their tactics periodically, the North Koreans have never ceased to pursue their goal of communizing the whole Korean peninsula by force.

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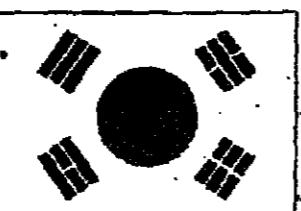
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to appraise the practice of human rights in developing countries we have to consider the perennial questions of the relationship between stability and growth, and the dichotomy between authority and freedom. It may seem rather easy to copy alien Western political institutions and adopt the principle of the rule of law for the perfection of an organization chart, but it is a completely different matter to establish a working system in any country. The simple logic of the matter is that unless we maintain national security, there will be no stability. If we don't have social and political stability, there will be

(Continued on Page 7)

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High Low

Economic Growth Masks Problems in Development Plans

By Ken Ishii

SEOUL (IHT)—The rosy reports flowing out of South Korea these days over this country's phenomenal industrialization and economic growth tend to obscure some of the problems it faces—problems it must overcome if the national development scenario prepared by the government is to proceed according to plan.

By any yardstick, even by Japanese and West German standards, South Korea's performance in recent years has been impressive. The gross national product, which stood at \$2.3 billion (at current prices) in 1962, rose to \$25 billion in 1976, and to \$31.5 billion in 1977. The estimate for the current calendar year is \$39.9 billion, according to the Economic Planning Board (EPB).

Per-capita GNP, a paltry \$87 in 1962, jumped to \$700 in 1976, and to \$864 in 1977. The 1978 estimate is \$1,060.

The Republic of Korea's economic growth rate was 15.5 percent in 1976, and 10.3 percent in 1977—years when most of the industrialized world was floundering in the aftermath of the oil crisis. And the EPB growth-rate estimate for this year is a very healthy 10.5 percent.

But with virtually no natural resources it is through exports that Koreans must build, and survive. Indeed, foreign trade accounts for some 70 percent of its GNP. And this is where the nation faces some major tests.

Until now, South Korea has owed much of its international competitiveness to its low wages. However, that competitiveness is disappearing. At the same time, although not necessarily because of the vanishing low-wage advantage, it has shifted its emphasis in industrial development from labor-intensive light industries to technology and skill-intensive industries. Taiwan and Hong Kong can now manufacture textiles at a lower labor cost than South Korea.

Blunt

Kim Tai Dong, president of the Naeway Business Journal, a respected economic daily, puts it bluntly: "I believe we have arrived at that stage where it is no longer possible to grow on low wages."

Light industrial products continue to account for a large share of South Korea's exports—60 percent last year—but the nation is already solidly on the way to greater industrial sophistication. Steel, industrial and precision machinery, petrochemicals, shipbuilding and electronics are the current high priority areas in government planning.

Mining and manufacturing, which accounted for 30 percent of the GNP last year, is expected to expand at an average annual rate of 14.3 percent during the government's fourth Five-Year Economic Development Plan ending in 1981.

Kim Jae Ik, director of planning at the EPB and a key figure in South Korea's economic strategy, says that "the machinery in Korea has just begun to take off." And, he adds modestly, "it seems to be doing very well." He envisions the future Korea as something like Switzerland, Sweden or Belgium: "These are small countries (like South Korea) that attained the highest standard in machinery by specializing in a narrow field and investing adequately in it."

To achieve this goal, "we are going to have to upgrade our human resources," Mr. Kim stresses. The shortage of skilled workers is probably the most formidable obstacle to the growth of the high added value industries that South Korea must develop, and vigorous efforts are being made to lay down a solid technological base.

The issue was put succinctly by Shim Won Taek, president of Daewoo Heavy Industries Ltd., one of the key firms in the Daewoo group that together with some 14 other zaibatsu (conglomerate) groupings lead South Korea's growth.

Early Stages

Despite impressive progress, Mr. Shim, like the EPB's Mr. Kim, agrees his country's machinery industry "is still in the early stages of development." He explains: "It is fairly simple to build factories provided we can pay for them and that we can do with our foreign exchange or through foreign loans. But the assimilation of technology is different. That takes considerable time."

Some 450,000 persons enter the job market every year, of whom about 50,000 are university graduates. Another 60,000 are graduates of vocational training schools. But this hardly meets demand.

As a result, the zaibatsu recruit rival firms for top personnel, and graduates from the elite Seoul National University, Korea University and Yonsei University command starting salaries in the range of 200,000 won (\$400), or about five times starting pay elsewhere. With orders mounting and production unable to keep up, it is not uncommon for a young engineer to be hired to another organization for higher pay.

Because schools cannot turn out skilled workers fast enough, South

Korea's zaibatsu are required to undertake in-company training programs.

"We have a system," Mr. Kim explains, "under which certain companies—say, companies with 300 or 500 or more workers—are required to train at least 10 per cent of their work force. If companies refuse, they must pay a certain sum into a vocational training fund used to train workers at reluctant companies for jobs elsewhere."

Mr. Kim believes "port-of-entry" vocational training "may be satisfactory for our present stage of development." But again with the vision of South Korea as perhaps the future Switzerland of Asia, he adds: "If we are to reach the stage of competing with, for example, a major Swiss supplier of electrical goods, port-of-entry training is insufficient. Workers in Swiss companies have more than 10 years of in-company training, and we, too, must organize training systems that continue throughout the worker's life."

Workers thus trained, he says, "provide the avenues and bridges to the sources of technology."

In developing skill-intensive industries, Mr. Kim pointed to an

other set of problems which he said are related to the size of the market. The Harvard-educated economist admitted that mistakes had been made in this area, but described this as "the tuition we pay for the sake of experience."

He illustrated: "Ten years ago, when we were building our first petrochemical complex, we decided we should have a capacity of only 100,000 metric tons a year. But it was totally uneconomical, and some of its products cost 30 percent above international prices to make. However, Korean demand has since grown, and our second petrochemical center has a capacity of 350,000 tons, which is the optimum scale for our needs."

Another example is the program to develop the manufacturing capacity for electric-power-generating equipment. Excessive world power-generating capacity and depressed world prices make it essential that this new industry be internationally competitive from the outset, for with domestic demand limited, at present, production must be exported.

Mr. Shim would like to see his organization's R & D set up as an independent function and increase Daewoo's research budget to at least three or four times the present amount. But he does not say when this will be possible.

Meanwhile, Daewoo, like other large enterprises, maintains its own training schools. One school trains

on capital borrowed, and efficient management has kept it operating at above design-capacity. Annual output is 2.5 million tons, though it is scheduled to increase to 5.5 million tons by the end of this year.

To date, there has been little time for research and development. South Korea's industrial captains recognize the urgent need for R & D, but the pressures of production are too great.

Mr. Shim, whose firm is South Korea's largest manufacturer of heavy machinery, says "less than 1 percent" of Daewoo's sales go into R & D. "The amount is so small I'm ashamed to mention it," he adds. "We do engage in research, but we are so busy that before you realize it, the people in R & D are dragged back to the production lines."

Research Budgets

Mr. Shim would like to see his organization's R & D set up as an independent function and increase Daewoo's research budget to at least three or four times the present amount. But he does not say when this will be possible.

"Our target," Mr. Shim says, "is to reach the point where we can make the product entirely with Korean parts five years after the tech-

nical tie-up is begun. But in reality this may be difficult."

Part of the problem lies in the small and medium companies—the hundreds and thousands of subcontractors on whom the zaibatsu manufacturers depend. In Mr. Shim's words: "It's no use for just the giant enterprises to modernize and expand. The small industries that supply us with components must keep pace. Also, salaries in the medium and small industries are so low that all the good people are drawn to the big outfits."

Competition

In terms of Daewoo's sales, imported technology accounts for some 40 percent and South Korean technology 60 percent. But the percentage varies by product. Close to 80 percent of the technology for forklifts, made under a technical tie-up with Japan, is imported. For heavy construction equipment which is manufactured to individual requirements, 80 percent of the parts are domestic.

"Unless there is government regulation, we are headed on a collision course," Mr. Shim warns.

However, if the success with which the government has guided South Korea's growth to date is any indication, it seems unlikely

such a disaster will be allowed to occur.

South Korea's successive Five-Year Plans have been too well orchestrated to permit any major error at this stage.

Since the first plan was begun in 1962, the annual growth rate in the mining and manufacturing sector has averaged 17.9 percent, while the rate for agriculture, forestry and fisheries combined has averaged 4.6 percent.

The shift in the nation's industrial structure is also indicated by the increase in mining and manufacturing in the share of GNP. The 30 percent of GNP that this sector accounted for in 1977 compares with 17 percent in 1962. Correspondingly, the share of agriculture, forestry and fisheries as a percentage of GNP dropped from 37 percent in 1962 to 24 percent in 1977.

The growth rate for electric machinery, shipbuilding and other heavy industries is expected to cause a decline in the annual growth rate for mining and manufacturing to around 14 percent against 20 percent in the third period (1972-76).

The growth rate for electric machinery, shipbuilding and other heavy industries is predicted to cause a decline in the annual growth rate for mining and manufac-

ture, rising at an average of 10 percent a year, resulting in a total of \$34 billion (based on 1975 rates) in 1981, and a 1981 per capita GNP of \$1,512.

Growth in agriculture, forestry and fisheries is expected to cause an annual average of 4 percent growth in social overhead capital and other services, 8 percent.

A slowdown in the growth of exports is expected to cause a decline in the annual growth rate for mining and manufac-

ture, reaching 19 percent in 1981. The share of social overhead capital and other services is expected to drop from 45 to 41 percent during the fourth plan period, while the GNP share of agriculture, forestry and fisheries is expected to decrease, reaching 19 percent in 1981.

The export-oriented economic development of the previous Five-Year Plans continues into the fourth plan (1977-81) that foresees

an increase from 30 to 41 percent in mining and manufac-

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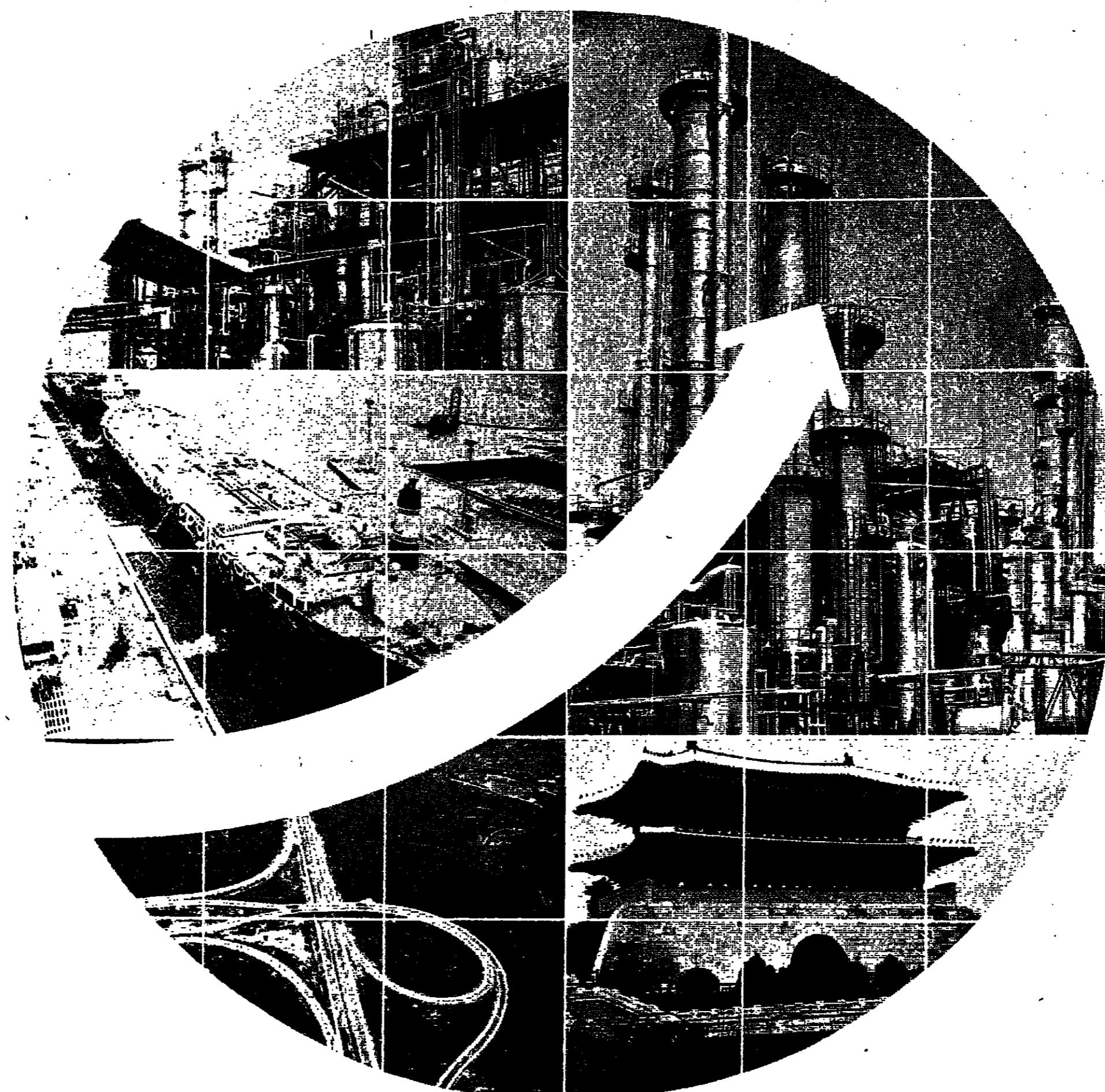
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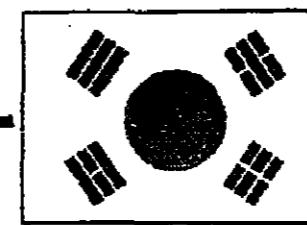
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The Rural Community Has Its Own Self-Help Program

DUL (IHT)—Even the strongest critics of Park Chung Hee that the president has helped the South Korean people a lot by participating in their own way.

where is this sense of participation more visible than in the so-called *Saemaul Undong*, or New Community Movement. Symbolized by the slogan of "self-help, diligence and cooperation," the movement was launched by President Park at a provincial governors' meeting held in April 1970. The movement started first as a local self-help program and later as a nationwide campaign not only to "reduce the gap in income and living standards between rural and urban areas of the nation's population also to inspire a sense of national renaissance."

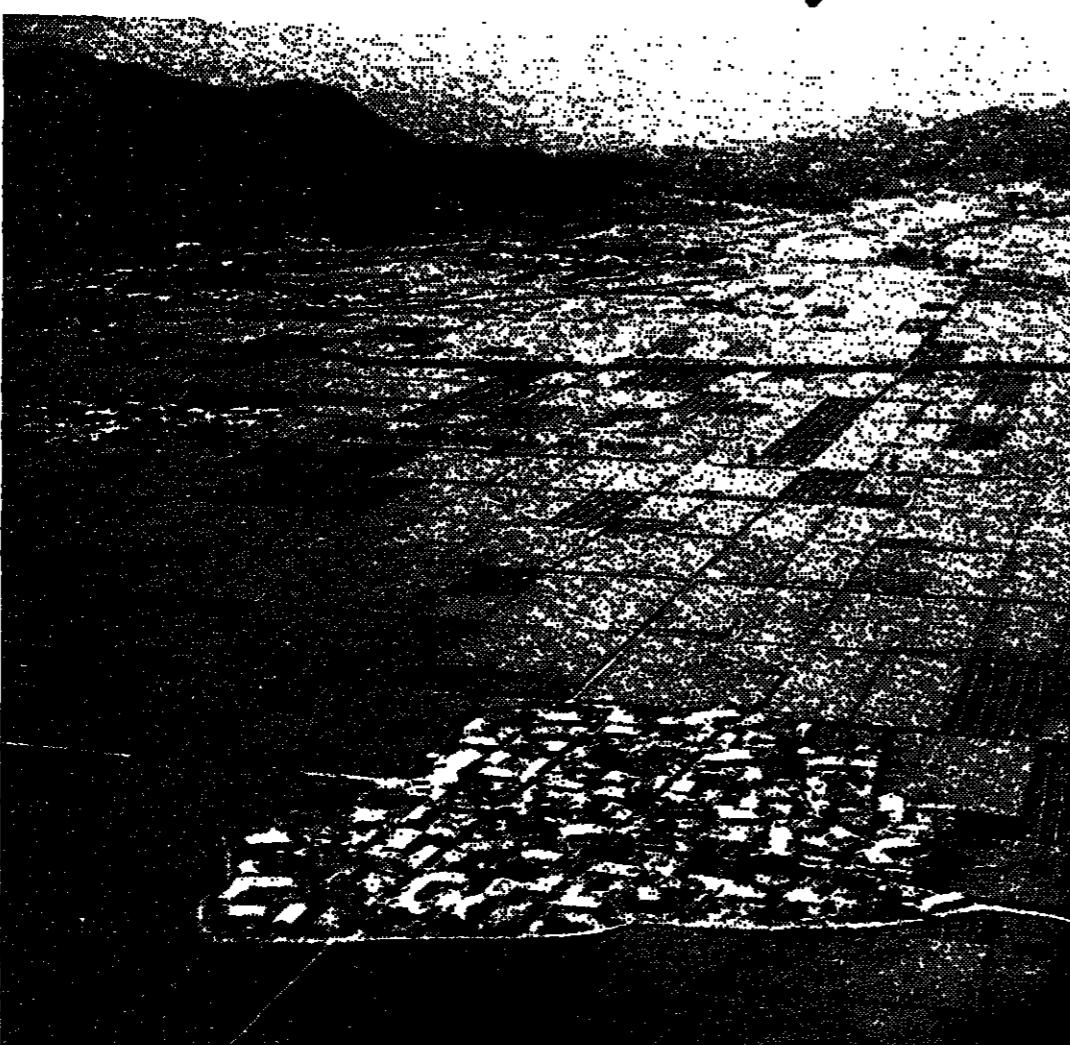
After years of lagging behind the favored industrial sector, Korea's rural community appears to be responding to Mr. Park's self-help development program.

In the government's own words, farm household incomes already tripled during the 1977 period. In 1977, for instance, the average farm family income of \$2,876 almost reached the average urban family income of \$9,777.

Statistics

A visit to a *Saemaul* village gives insight into the reserves of efficiency South Korea is able to call on. In a village community hall, for example, a *Saemaul* leader will proudly display his records of achievement. The South Koreans, it should be noted, have the same natural respect for statistics as do most sterners. Just as in Seoul, where government planners will drown visitors in figures—from last year's GNP to projected export targets for the current year—the *Saemaul* leader will explain how many tons of rice and barley have been harvested during the years, and how many pigs and chickens have been raised. In the countryside, the movements look even better than they do on paper.

He changes that an annual family income of \$2,876 brings are remarkable in many respects: People



Using government know-how, farmers have built roads and bridges, irrigation and drainage systems.



Helicopters spray chemical fertilizers over fields as part of the Saemaul Movement program.

have enough to eat; the rags of the past are discarded for sturdy work clothes; more oxen pull the plows; and, in some cases, tractors replace oxen. Television aerials sprout from rooftops.

Instead of subsisting on a single rice crop, the farmers are now diversifying into winter barley, pigs, poultry, dairy cattle and cash crops.

Target

The target for 1980 is to boost every village to self-sufficiency and provide the average farm family with an annual income of \$3,500. Since agricultural production is limited by land shortage and climate, the government also wants to direct rural people to off-farm

government's penchant for the adjective "revolutionary."

Particularly important are the new roads—25,000 miles of them by government figures—which have cut travel time and opened up many villages to tractors and wheeled transport.

All *Saemaul* projects have to be approved by villagers through active debates, and once projects are approved, they are implemented by the villagers en masse.

This grass roots democracy, many feel, is responsible for the emergence of the ablest men and women as leaders in their communities.

These village leaders are periodically given instruction on self-improvement methods at the state-run *Saemaul* training institutes not only by seasoned specialists but also by model leaders who have performed successful *Saemaul* programs. White-collar workers from the cities—university professors, government officials, journalists and businessmen—take part in a week-long *Saemaul* training as well.

Thus the urban elite learn from the rural leaders what is happening in the villages, while the former enlighten the latter with more advanced and sophisticated ideas.

In 1974, the government began the drive to make *Saemaul* a pan-

national movement by carrying it into the urban areas. In the towns and cities, *Saemaul* projects have thus far centered on anti-luxury and anti-waste campaigns, improve-your-neighborhood programs and labor welfare within industries.

In addition to the socioeconomic benefits claimed for the *Saemaul* movement, equal emphasis is placed on its moral effects. For the movement's aims are threefold: spiritual reform, social progress, economic development.

The man who initiated South Korea's uplifting movement, President Park, himself a poor farmer's

son, told this writer: "The *Saemaul* movement has had a tremendous impact on the life of our people since its inception in 1970. It is the cornerstone of our efforts to awaken the spirit of the nation, a nation that—did you know?—invented movable type three centuries before Gutenberg. This sort of spiritual revolution is indispensable since Korea has suffered from invasion, internal rifts and the lack of strong, purposeful leadership for several centuries."

Most Koreans seem to agree that it is due to President Park's *Saemaul* movement as well as his economic development plans that the South Koreans have been able to

pick themselves up by the bootstraps in recent years. And Mr. Park maintains that the movement reflects his own view of politics and Korean-style democracy and that it is an essential part of the *Yushin* (Revitalizing Reform) Constitution, which has created considerable comment and controversy at home and abroad in view of what his critics call its "undemocratic nature." Nonetheless, as the Times of London recently remarked:

"Through *Saemaul*, democracy is being practised in the South Korean countryside to a degree unknown there before—and still unknown in most parts of the world."

P.H.

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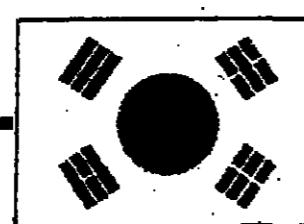
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'The Irish of Asia'—Ebullient, Full of Song and Laughter

By Alan Freeman

SEOUL (IHT)—The intensity with which the South Koreans labor is cause for more and more worry to the Japanese as they look across the Sea of Japan—or the East Sea, as the South Koreans call it—to their northern neighbor.

As inflation, the increased costs of doing business and the seemingly inevitable rise in the value of the yen cut away at Japan's competitiveness in industries as varied as micro-circuitry or shipbuilding, the Japanese see South Korean export corporations moving into those fields. Further, the Koreans are capable of underselling and undercutting in the very areas that Japan developed during its own dramatic economic surge of the previous decade.

Just as the U.S. textile industry bitterly fought Japanese textile imports during the early 1970s bringing one of the severest diplomatic crises ever between the two nations, so the Japanese textile industry is finding itself threatened by the growing sophistication of the South Korean textile industry.

Furthermore, the Japanese—often accused by Westerners of being too devoted to their work—can increasingly be heard to say that the Koreans work too hard. South Korea is trying to do what Japan did in a shorter time and from a start further back on the road to industrial development.

Love-Hate

Historically, the Koreans have always worried the Japanese. The two countries have an intense, convoluted love-hate relationship that goes back centuries and that was further complicated by Japan's colonial influence that lasted from 1905 to 1945.

Who are these people who can worry the Japanese?

They are a people of similar origins to the Japanese, but a people whose culture is uniquely their own, a culture the Japanese tried to smother during the years when they dominated Korea.

Physically, they are bigger and more robust than the Japanese. The Mongol heritage is more clearly stamped in their faces and bodies than the Japanese, who are a blending of many Asian racial groups, a process still not fully understood.

The Koreans are people often called the Irish of Asia...outgoing,

ebullient, full of song and laughter—and simultaneously dark and brooding emotions.

They have also been called the Greeks of Asia—a proud, flinty people born and bred of a harsh landscape, a country poor in natural resources, a land of barren mountains, with viciously cold winters and sometimes searing hot summers.

They are a people to whom nature has granted little, even in comparison to the resource-poor Japanese; more so in comparison to the peoples of the richer, warmer lands to the south.

Like a Comma

Although a tiny country hanging like a comma from the Asian landmass, South Korea has maintained its cultural independence from China, to which for centuries it paid tribute intellectually and politically.

The non-tonal language is distinct from the tonal Chinese dialects. Although Chinese characters are used in writing, they are mixed with the uniquely Korean writing system called *hangul*. Linguists have called this system the most nearly perfect written language in the world.

The Koreans are a people with a great belief in education. The respect for learning is part of the heritage left to the Koreans by the centuries of Chinese culture and Confucian studies. South Korean families make great sacrifices to send their children to universities.

Korean food is hot and spicy, distinct from Mongolian or Chinese cuisines. It is robust food, brought to a festive table in overstrained vessels, with none of the restrained elegance and tiny portions of traditional Japanese food preparation.

The Korean temper is hot and spicy as well; a Korean will fight back loudly and emphatically if he feels his rights have been violated. The Japanese, on the other hand, will more likely accept the slight or the wrong, and seek vengeance later. The Japanese call the Koreans vulgar and barbaric; the Koreans call the Japanese devious and barbaric.

Westerners often find the South Koreans the most approachable of all Asian peoples. The Koreans insist on dignity and respect from



Street life in downtown Seoul.

foreigners, but they will assert themselves as individuals far more than other Asians.

Also, unlike most of the Asian peoples, their worst colonial experiences were at the hands of other Asians—for centuries, the Chinese,

and from the early part of this century until 1945, the Japanese. Western Christian missions tolerated and controlled by the Japanese often became centers of dissent and anti-Japanese sentiment. Thus the Koreans have none of the ex-colonial feelings toward the West that affect the relationships of other Asian nations with the former colonial powers.

This is not to say that they are slavish admirers of the West. Far from it. Though their popular cul-

ture has been heavily Americanized during the years of a large U.S. military presence here, they have not succumbed to imitating the United States.

South Koreans view the United States with considerable skepsi-

Impressions: What Has Not Changed Is the People

in 1976 of two U.S. officers at the DMZ by North Korean soldiers.

Security

The concern for security is the government's justification for the curtailment of free speech and other rights, and Pyongyang's behavior has done little to persuade the public that the restrictions are merely an excuse to hang on to power. In fact, if free elections were held today, the overwhelming view of persons outside government is that President Park Chung Hee would win handily.

How many activist dissidents are there in South Korea today? It is hard to say. Perhaps the best informed guess is around 200. Presi-

dent Park's emergency decree keeps tight screws on anything that smacks of criticism of the government.

The opposition has been all but muzzled except for the Christians. The government is reluctant to get tough with them, presumably to avoid arousing criticism abroad. Although political gatherings are banned, Christians may gather for religious purposes, and dissidents use such occasions to further their cause. (South Korea has 4,650,000 Protestants and 1,050,000 Catholics.)

But even among Christians, dissidents are only a handful. And as if to emphasize this, conservative Christian groups set themselves apart by occasionally staging mass

rallies at the May 16 Plaza between Seoul and Kimpo airport.

At one time the dissident movement was mainly concerned with theory. Recently, however, there have been indications that the movement is turning to a more practical approach—to wooing labor. For example, Cardinal Kim Soon Hwan issued a statement not long ago on the suppression of labor union activity at a textile factory.

Low Wages

True, labor's wages, especially for the unskilled, are low, and observers point to this as a possible source of unrest. But the government with its usual efficiency ap-

pears to be keeping abreast with hefty wage increases this year—by as much as 70 per cent for bus conductors. It is also taking steps to implement a minimum monthly wage of 30,000 won (\$60) by the end of 1978.

According to government officials, South Korea needs an annual growth of close to 10 per cent for its economy to attain planned growth targets.

South Korean businessmen say the nation is following a development pattern almost identical to Japan's. Both have no natural resources. Both have industrial people. Both must export to live.

If Japan can succeed, there seems no reason why South Korea cannot. One major difference is

bitterly remind Westerners that a current 33-year division of the country was the result of an agreement between the Soviet Union and the United States, a footnote to the arrangements over what to do about a defeated Japan.

This history explains much of their present drive to build the economy and their apparent acceptance of economic and political conditions often abhorrent to Westerners. With economic strength, they hope, they will have some leverage in the world community that affect their destiny.

History Repeats

They are great believers in history repeating itself. So they see the present U.S. plans to withdraw their troops in the same light, what is to them a history of alternating U.S. betrayal and friendship—determined by U.S. interests not South Korean.

The Koreans are loyal people. They do not give this loyalty easily, but when a man gains the confidence of a Korean, he will retain that loyalty no matter how difficult the repercussions may be.

And a man who has gained a position of respect holds that respect as long as he is considered worthy—even if he becomes a bitter opponent. The leading elder statesman of South Korea, former president Yun Po Sun, is now the most honored symbol of the dissident movement in South Korea. Though he has been convicted of violating President Park Chung Hee's emergency decree, Mr. Yun's picture reportedly still hangs in the presidential office.

Even if the current government considers Mr. Yun an enemy, it pays him this gesture of honor, due him as a former president.

that Japan does not have a No. 1 Korea at its doorstep.

While recognizing that unification is impossible under present conditions, officials in Seoul say they would like to find areas of cooperation, such as an agreement to allow reunions among relatives separated by Korea's division.

Talks between the two sides of North-South Coordinating Committee at one stage produced agreement to set up a hot line between Seoul and Pyongyang. The Seoul end of the line has been stalled in the committee's Seoul office.

"We keep ringing every day, but there is no answer at the other end," one South Korean official said.

Chinese excelled in texture and in Japanese in color.

The beauty of the Korean celadon, a translucent, pale-green glazed porcelain, has always been admired. The Chinese themselves praised its shape and color. This is comparably delicate blue-green celadon served as a background for incised decoration filled with white and black slips. Chrysanthemums, cranes and clouds were among the favorite subjects.

Korean celadon is always handsome in form and discreet in design; the gaudy colors found in many Chinese porcelains were never used. Besides vases and wine jugs, lovely and dignified simplicity, such technically intricate objects as incense burners, cosmetic boxes, pots and bowls, were made from celadon.

If the Koryo dynasty is famous for its celadon, the Yi dynasty is of interest because of its painting. Here, too, the influence is undoubtedly Chinese, but the Korean managed to take the painting from China to its next stage of artistic evolution, even before the Chinese did. Some of the Yi painters adopted Chinese Sung Period ink painting and then immediately switched to a more relaxed or individually stylized technique, found later in the Yuan period in China.

Folk Painting

In terms of both content and technique, folk painting is undoubtedly the most specifically Korean art form, since the genre truly represents the wit, humor and mirth of the common people. The long-neglected Yi dynasty art has recently been rediscovered, thanks largely to the tireless efforts of Zaryong, Korea's preeminent archetypal-folk art collector.

As a whole, Yi paintings are most monochromes, relying for effect on shading and a few subtle touches of color. The general impression is one of serenity, of meditation and a profound sense of oneness with nature. This is in contrast to the more flamboyant Japanese paintings whose form and composition are somewhat sacrificed in favor of exuberant expressiveness.

There is seldom anything violent or disquieting about Yi paintings. Their beauty lies in their quiet dignity, a trait that prevails throughout the history of Korean art.

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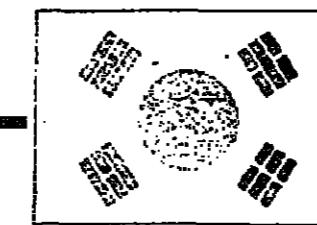
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Quality Work Force Has Unequaled Reputation for Diligence

IHT—If South Korea's spectacular and successful bid to break out from the ranks of developing nations rests upon a combination of cultural, economic and political factors, the element that stands out is the quality of the Korean work force. It is well-educated, energetic and disciplined.

The textile factory workers often spend eight hours a day at their spinning machines in South Korean mills to the construction laborers who put in double time from dawn to midnight on Middle Eastern development projects, their reputation for diligence is unequalled.

So much so that it led a visiting businessman in Seoul to remark that the Koreans are the only people in the world who make the Japanese look lazy.

A recent survey of working hours from 48 countries made by the International Labor Organization lends credence to this view. It showed

that the average work week in South Korea is the longest at 57.7 hours, as for all fields, ranging from agriculture to manufacturing and agriculture. Runners up were Czechoslovakia and Switzerland with average work weeks of about 43 hours.

The reasons for South Korea's

working hours are varied,

an unemployment rate

at 3.8 percent in 1977, the labor

market remains fiercely com-

petitive, while the relatively low

leisure time for manual workers spur

them to seek additional earnings by

long overtime. But the domi-

nating work ethic in South Korea is

the pervasive Confucian tradi-

tion that teaches each individual to

chase up to his obligations so as not

to bring shame on his family.

Statistics

According to government statistics

36.3 percent of the country's

19.000 population was "economically active" in 1977, with 42.5

percent engaged in farm work and

5 percent in non-farm work. The

definition of "economically active" is a person over the age

of who works more than one hour

each week.

In 1977, 46.7 percent worked on

average and 56.3 percent elsewhere.

Agricultural employment decreased

by 1.1 percent during the year while

industrial employment gained 3

percent.

With the nation's economy grow-

ing at an average rate of 10 percent

annually for the past 15 years, pro-

gram changes have taken place

about the growth of a

relatively uneven social structure.

It has put the standard of living

upward and technicians in the

engineering middle class into sharp

contrast with that of the subso-

cial-level existence of factory

and laborers.

For instance, wages for textile

workers ranged until a few

months ago from \$55 a month for

beginners to \$65 for regular

male workers. Male workers

earned \$112.

In comparison, the average

monthly salary for a college gradu-

ate with a white collar job is \$422.

In both cases, however, these

standards are supplemented by per-

sonal benefits characteristic of the

Confucian nature of South Korean

business.

Textile mill workers are provided

with free meals and dormitory fa-

cilities and are paid bonuses.

The assortment of perks for

white collar workers includes free

meals and other allowances as

well as bonuses of between 4-to-6

times of their basic salaries.

Sliding Scale

Also due to the Confucian tradi-

tion, South Korean business prizes

education highly. A sliding scale is

applied to the salaries of employees

in regard to their educational

level. Against the average \$422 ba-

monthly salary for a college gradu-

ate, an employee who has

fully completed primary school

receives \$105, a junior high

school graduate gets \$117.50 and a

junior high school graduate earns

\$3.50.

One example is the modern Hy-

dai Shipyard on Mipo Bay fac-

ing the Sea of Japan, where the

question of human rights in

Korea is not one of definition or of

how to legally guarantee full rights,

but one of how to maximize rights

under the present circumstances, or

of how to regain rights without

risking national security and social

stability needed for progress.

An overwhelming majority of

people in Korea exercise funda-

mental rights without interference

23,000 workers earn an average of \$150 a month. For this they work six days a week with one extra day off each month. They get an additional four-day vacation each year. Here again, they are provided with practically free housing and free medical care and can also attend a company-run trade school where they can improve their skills and further their education.

At the bottom of the scale are young girls, some only 12 or 13 years old, who sit on hard wooden benches in dimly lit cubicles endlessly churning out shirt collars and cuffs for a few cents an hour.

No one can say for sure how long this state of affairs will continue. While wages have risen at an average rate of 20 percent annually in recent years, much of that rise has been eaten away by inflation and tax increases.

Some Seoul officials agree that many average Koreans have come to question what their nation's spectacular growth has done for them personally.

With increasing frequency, local newspapers have recently highlighted the plight of urban low-wage workers. One report stated that 12

wages for textile factory workers ranged until a few months ago from \$55 a month for female beginners to \$65 for regular female workers. Male workers earned \$112.

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At the bottom of the scale are young girls, some only 12 or 13 years old, who sit on hard wooden benches in dimly lit cubicles endlessly churning out shirt collars and cuffs for a few cents an hour.

percent of them were paid starvation wages, averaging from \$62 to \$103 a month, when a Bank of Korea survey showed that they needed \$191 to subsist.

In order to head off possible labor unrest, the government

ordered, in March, a 24-percent increase in wages of workers in the country's 10 major textile mills, where sporadic work stoppages had taken place.

The move was significant in that textile workers, numbering some

700,000 of whom 22 percent are organized in labor unions, constitute the largest single bloc in the 910,000-member Korean Federation of Trade Unions.

While these unions are officially sanctioned, they are weak and ineffectual.

Strikes and collective bargaining are outlawed under the National Defense Act of 1971. Labor activism of any kind is tipped in the bud by the massive security apparatus, while the Korean Central Intelligence Agency harasses

Christian groups that advise workers on their right under the Labor Law and on how to deal with unions.

This law provides for a 48-hour work week, at 8 hours per day. However it contains a provision that if the employer and the workers of an enterprise agree, a 60-hour work week is permissible.

The notion that employment overseas decreases unemployment at home and brings in foreign currency prompted the South Korean government to encourage the migration of skilled manpower overseas.

South Koreans can now be found working on construction projects in the Middle East, the Philippines and Guam, as nurses and coal miners in West Germany and as bar girls in Hawaii and California, where "Korean bars" are becoming increasingly popular among non-Koreans.

But the main thrust was in the Middle East. Government statistics show that between 1973 and 1977 an aggregate of 61,871 South Koreans went to Saudi Arabia, 11,330 to Iran, 6,629 to Kuwait and 1,130 to Iraq. Those who have remained abroad number 41,387 in Saudi Arabia, 7,522 in Kuwait, 6,728 in Iran and 303 in Iraq.

The logic behind this migration was that the Arabs had oil money, big construction plans and few skilled workers. South Korea had construction crews trained both by domestic contractors and by the U.S. military in Vietnam.

In the last four years, South Korean firms have undertaken sophisticated projects ranging from housing and industrial complexes to ports and a naval base in the Middle East, all of which have brought an estimated \$5 billion into Seoul's coffers.

The South Korean workers in Arab lands live in isolated, all-male compounds, earning as much as \$600 a month. They are required to send 80 percent of their paychecks home.

There is a favorite anecdote, told by Seoul officials, on the subject of overseas workers. It tells how Iranian authorities impressed by the high work of South Koreans at Kermanshah in Iran gave a \$210-million contract to a South Korean firm despite the fact that Iraq has no diplomatic relations with South Korea.

This overseas migration of skilled workers hired not only by South Korean firms but also by foreign contractors has, however, backfired.

Because of an acute shortage of trained manpower at home, Seoul has banned, effective this month, the hiring of South Korean workers for employment with foreign firms overseas.

Another indirect effect of this drain was the government's authorization to bus companies in Pusan to give a huge 70-percent wage increase to their bus drivers and female bus guides. The drivers now get \$600 a month and the women \$300.

The reason for this was that some 3,000 South Korean bus drivers had found employment in Saudi Arabia and Kuwait, where wages were higher than at home.

—R.Y.H.

Government Uses Subtler Tactics to Curb Dissidents

(Continued from Page 1)

do you think the present government would be returned to office?

—That's a hypothetical question and there's no sense dealing with the hypothetical—though I do have my own views. Of all the constitutional freedoms, freedom of speech is the most basic of all. Without it, other freedoms are meaningless.

There is only one place where dissidents can gather,

and that is in the building of the National Christian Council

in Seoul. People meet there every Friday. . . .

... Of all the constitutional freedoms, freedom of speech is the most basic of all. Without it, other freedoms are meaningless. There is only one place where dissidents can gather, and that is in the building of the National Christian Council

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clothesmen. Under the circumstances, it's impossible to remain active. Besides, dissident groups have no money.

Q—How about yourself?

A—Around the time of this year's March 1 anniversary [commemorating the 1919 abortive uprising against the Japanese] I was in effect kept under house detention. I was scheduled to make a speech, but eight policemen came into my house and sat down. They politely suggested I had better not go out, and that in any event would take no more than two of them to hold me down if I tried. After a couple of days their number was reduced to two or three who took up positions outside my house on a 24-hour basis. This continued for about three weeks. I am kept under surveillance nowadays only when there is a special occasion, like an anniversary. Usually, plainclothesmen watch me, but if they consider

Foreign Policy Issues Dominate

(Continued from Page 1)

followers. It has been suggested that the North might try something desperate now, before the South's economic success catapults Seoul to military self-sufficiency. While this argument can be bolstered with evidence of recent tunnel digging under the DMZ by the North and of a never-ending stream of incursions, it is generally conceded that Pyongyang is not likely to go ahead with any military moves against the South without backing from either Peking or Moscow, or both.

Forced Landing

In 1975, immediately after the United States abandoned Saigon, President Kim visited Peking with the apparent intention of asking for Chinese backing for an invasion of the South. The Chinese are said to have been cool to the idea.

In the meantime, Seoul has been

carefully cultivating Socialist bloc

countries. Last year alone, the na-

tion carried on a quarter of a bil-

lion dollars' worth of trade with

Warsaw Pact nations through third

parties. Exchanges of scientific and

cultural materials have been going

on for several years, and South Korean delegations have been allowed to

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Korean Pride

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While Western civilization was still in the dark ages, skilled Korean artisans developed the unique jadelike lustre of prized Celadon pottery.

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